

“IPCR Critical Challenges Assessment 2011-2012”

Summary Report

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(August, 2011--January, 2012)
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Some Notes about this “Second Edition/Update”

“The IPCR Critical Challenges Assessment 2011-2012” was a research project of IPCR Founder and Outreach Coordinator (Stefan Pasti) from July, 2011—January, 2012. The IPCR webpage for this “Critical Challenges Assessment” project is at <http://www.ipcri.net/Critical-Challenges-Assessment.html>. Drafts of 4 different sections are accessible there (in pdf format). Due to accumulating evidence and unfolding events, a preview of the final report was made accessible in January, 2012 (titled "Calling 'the better angels of our nature: A Multi-Angle View of the Debt Crises" (398 pages).

This document was created as a “second edition”/update to that “Multi-Angle” document. For this “second edition” version, the document has been given a different title, as it may be that some of the value of the “summary report” was obscured by readers believing the emphasis was solely on the debt crises. For a quick glance at all ten of the critical challenges identified and researched during this “Critical Challenges Assessment” project, see the last page of this document.

There are also five additions to the original “Multi-Angle” document. Three different introductions, have now been added to the document: 1) a five page introduction—written as a lead-in to the project webpage (while the project was a work-in-progress) 2) a three page introduction—written to be an enclosure for “IPCR Outreach 2012” postmailings and 3) an eight page introduction—this writer’s first effort at an introduction for this work. [Note: the eight page introduction was not included in the “first edition” (“Multi-Angle” document)]. And two more Appendices have been added (one with updated evidence relating to the critical challenges identified, and one which is an article introducing Community Visioning Initiatives as an alternative to General Elections).

The detailed “Table of Contents” (which can provide a quick overview of this summary report) can be found on p. 2, (after the three introductions, which are identified by “roman numeral” page signifiers). Here is a link to the [Table of Contents](#)

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a five page introduction

A Five Page Introduction

[draft written (in 2011) while the “Critical Challenges” project was a work-in-progress]

The Purpose of this “Critical Challenges Assessment” Project

This writer is aware that there are many critical challenges which could be listed and ranked as the ten most critical challenges associated with this year 2011. By even making a list at all, The IPCR Initiative is not suggesting it can offer a definitive assessment.

The purpose of this “Critical Challenges Assessment...” is:

- a) to sound a warning that there are “many danger signs flashing now” (there are many critical challenges coming together at the same point in time)
- a) to help other people appreciate how becoming involved in creating an assessment of the critical challenges of our times in their local community can be useful for re-framing public discourse, so that public discourse is relevant to resolving the most critical issues
- b) to bring forward ideas and resources which are sufficient to suggest that—difficult as the challenges may seem—we have the resources necessary to overcome these challenges... and that it is well within our capacities to re-form human settlements and voluntarily adopt patterns of human activity that result in a high degree of peaceful and sustainable quality of life for a significant majority of Earth’s inhabitants.

“We are facing issues of near-overwhelming complexity and unprecedented urgency.”

(see two critical challenges overviews from other sources—below)

Most of the critical challenges brought forward in this paper have been the subject of public discourse; but it is likely that most people do not give as much attention to these challenges as they deserve. Some of the reasons why these challenges are not in the forefront of public discourse: most require complex sets of evidence to be credible; many are dismissed as something technological innovation will resolve; many have been with us for some time—and thus seem inevitable; some seem unapproachable because they would require advances in wisdom and compassion which seem beyond us; and many seem minimized by the vast ocean of information which is now made accessible through the Internet, television, radio, newspapers, and a variety of other forms of communication (see Challenge #10)(The List of Ten Critical Challenges identified by this project is on the last page of this document).

Unfortunately, when many critical challenges of this magnitude come together at the same point in time, as it seems they have, there can be catastrophic consequences—unless most of the challenges are minimized by maximum citizen participation, and wise and compassionate solution-oriented activity.

There are enough statistics provided in this paper to demonstrate that many people who are considered authorities in their field know there is evidence of “danger signs”. However, so that readers can understand from the beginning of this paper that there are other assessments similar to this one—and that much of what is touched on in this paper has been given serious attention by some people for

decades—two overviews from other sources are included below (with more information on both sources in footnote #3, in the “Notes and Source References” section of this paper).

- From the preamble to a 116 page “Ecovillage Design Curriculum” document (accessible at the Gaia Education website) (see http://gaiaeducation.net/index.php?option=com_content&view=article&id=47&Itemid=62)

“We live in a rapidly changing world that is transforming before our very eyes. Humanity is now being challenged as never before to grow in wisdom, maturity, and understanding. A plethora of deep and pressing concerns is calling for our immediate attention, concerns such as: Earth's environmental degradation, including the loss of precious topsoil and forest cover, the encroachment of deserts, the depletion of fisheries and aquifers, the loss of habitat and the extinction of species, etc.; the glaring and increasing disparity between rich and poor leading to exploitation, poverty, and the associated regimen of malnutrition and over-population; the disintegration of families, communities, even entire cultures; unrestrained urbanization resulting in social alienation, displacement, and feelings of disconnection with the natural world; the dimming of a sense of spiritual awareness and purpose; global warming and ozone depletion; etc. And now, looming on the horizon is “peak oil,” with its coming adjustments and retrofits, including the probability of ongoing conflict over access to the remaining energy reserves.

“All of these problems are quite real and, by now, well-documented; but gaining awareness of the extent of the problems is only half the project of becoming educated these days.

“Amidst these intense challenges, and largely catalyzed by them, lies the prospect for tremendous growth in human potential and consciousness. People and communities all over the globe are coming together to reclaim responsibility for creating their own living situations – at local and regional levels. In the process, they are overcoming prior limitations and developing new talents, skills, knowledge and approaches. Paradoxically, many of the most innovative solutions rely on a timeless, perennial kind of wisdom that seems to have been disregarded recently. The potential for a refreshed, renewed, revitalized humanity goes hand-in-hand with meeting the challenges of our present Age.

“The Global Ecovillage Network (GEN) believes the most promising and effective way to deal with all these issues is through education....

- From “World on the Edge: How to Prevent Environmental and Economic Collapse” by Lester R. Brown Earth Policy Institute (free download at <http://www.earth-policy.org/books/wote>)

“Food price stability now depends on a record or near record world grain harvest every year. And climate change is not the only threat to food security. Spreading water shortages are also a huge, and perhaps even more imminent, threat to food security and political stability. Water-based “food bubbles” that artificially inflate grain production by depleting aquifers are starting to burst, and as they do, irrigation-based harvests are shrinking. The first food bubble to burst is in Saudi Arabia, where the depletion of its fossil aquifer is virtually eliminating its 3- million-ton wheat harvest. And there are at least another 17 countries with food bubbles based on overpumping.” (p. 13-14)

“Further complicating our future, the world may be reaching peak water at more or less the same time that it hits peak oil. Fatih Birol, chief economist with the International Energy Agency, has said, “We should leave oil before it leaves us.” (Note: excerpt from that interview on p. __ of this paper). I agree. If we can phase out the use of oil quickly enough to stabilize climate, it will also facilitate an orderly, managed transition to a carbon-free renewable energy economy. Otherwise we face intensifying competition among countries for dwindling oil supplies and continued vulnerability to soaring oil prices.” (p. 14-15)

“Once the world reaches peak oil and peak water, continuing population growth would mean a rapid drop in the per capita supply of both.” (p. 15)

“We are facing issues of near-overwhelming complexity and unprecedented urgency.” (p. 15)

“Among other things, the situation in which we find ourselves pushes us to redefine security in twenty-first century terms. The time when military forces were the prime threat to security has faded into the past. The threats now are climate volatility, spreading water shortages, continuing population growth, spreading hunger, and failing states.” (p. 15)

Notes About the Supporting Evidence and Sources

In this “Critical Challenges Assessment...” , some of the evidence which has formed this writers’ views about the challenges of our times will be brought forward. This evidence is associated with issues that require some sifting of very complex information, which by its nature must be considered incomplete at best. Therefore, what is provided as evidence is simply offered as starting points for readers who have not yet explored these issues in depth—and as an indication of the kind of sources this writer regards as trustworthy and reliable.

One important question, considered very carefully by this writer when evaluating information (from books, on the Internet, etc.) is: “Why is this source providing this information?”

This writer is inclined to regard information as trustworthy and reliable

- a) if the source of the information has been working for a long time in their field of activity
- b) if the source of the information is highly regarded in their field of activity and
- c) if the source of the information is clearly trying to respectfully provide good service to their fellow human beings, and contribute to the greater good of the whole.

This writer has read some “Executive Summaries” of documents authored by people and organizations who are respected as authorities in their fields of activity. And this paper provides statistics and observations from those documents to indicate such evidence exists, and to identify some the sources of evidence that has lead this writer to his conclusions. But he does not hope to understand the complexities of every subject in this “Ten Point Assessment....” document to the degree that he could teach a college level course on the subject. What he does do is try to discover if there is a high level of agreement among many different people and organizations who he believes are trustworthy and whose work is respected by many other people working in the same field of activity. If there is, then he feels that there is a high likelihood that if he saw all the evidence they have seen, he would come to the same conclusions they have.

There are sources of information which are clearly trying to persuade people to support a particular agenda—without encouraging them to arrive at an independent assessment, and without suggesting that the issues are complex and some time may be required to arrive at an independent assessment. And there are people who use irresponsible and disrespectful language in ways which do not suggest that their motive is to respectfully provide good service to their fellow human beings, and contribute to the greater good of the whole. This writer believes that a significant degree of consensus will be needed to resolve many of the complex challenges ahead. Somehow or other, we need to sort through information associated with these complex challenges, and we need to do so in a way that helps us to realize how much we need to be learning so that we can be part of the solutions... and how much we really need to be on the same side, helping each other. That we need to be on the same side helping each other is one of the reasons why this writer is advocating the use of Community Visioning Initiatives. In all IPCR documents relating to Community Visioning Initiatives, residents are being encouraged to participate in as many ways as possible—and to help and support others who are making sincere efforts to contribute to the process.

Everyone is involved when it comes to determining the markets which supply the “ways of earning a living”. Thus, all of us have important responsibilities associated with resolving a significant number of very serious challenges in the months and years ahead. Are we up to the challenge?

Maximizing Citizen Participation

Since (as this writer believes) a significant degree of consensus will be needed to resolve the most complex challenges we—collectively—face; there needs to be ways to maximize citizen participation. The IPCR Initiative has given much attention to this need, and there are two four page introductions to the IPCR Initiative which are recommended here: “A Four Page Summary of The IPCR Initiative” (at http://www.ipcri.net/A_Four_Page_Summary_of_The_IPCR_Initiative.pdf) and “Community Visioning Initiatives or General Elections” (at http://www.ipcri.net/Community_Visioning_Initiatives_or_General_Elections.pdf). By processes outlined in those papers , and explored in more depth in the Appendix of this “Summary Report”, people can—as they did in the United States at the beginning of World War II—decide to deliberately channel the way they “invest” their time, energy, and money so that these “investments” are *in many ways* supportive of solution-oriented activity. Yes, most of the challenges in this “Critical Challenges Assessment...” are very complex, and thus it will be best if people making decisions at the local community level sift through some of the evidence (with the assistance of local “teacher-leaders”). But their motive for sifting through some of the evidence need not be understood as part of studying for a Ph.D on the subject, or as part of deciding how to “vote” for a particular candidate in elections. From this writer’s point of view, it would be best if their motive was *so they can make informed decisions regarding how they invest their time, energy, and money in the everyday circumstances of their daily lives.*

Affordable Workshops in “Community Teaching and Learning Centers”

Becoming informed in this way needs to be very affordable (Ex: \$100 for a 2 hour workshop, with the recommended number of participants for workshops is 5-15 people., and a sliding scale as follows: if there are 5 participants for a 2 hour workshop, the cost would be \$20 for each participant; if there are 15 participants for a 3 hour workshop, the cost would be \$10 for each participant. See the “Workshops”

section of The IPCR Initiative website for more information), and should encourage people, neighborhoods and whole communities to share resources, and help each other learn. “Community Teaching and Learning Centers” can offer resources and inexpensive workshops... and then during a Community Visioning Initiative such centers can be meeting places where people “vote” to identify challenges, prioritize challenges, identify solutions, prioritize solutions, and decide on local community specific action plans. Questionnaires circulated to 150 key leaders in the first phase of preparing for a Community Visioning Initiative (and a public posting of results) will help residents appreciate the need for the Community Visioning Initiative, for many “Community Teaching and Learning Centers”, and for as many residents as possible to participate as much as they can. People who participate in Community Visioning Initiatives and who make good use of “Community Teaching and Learning Centers” will discover that there are countless numbers of local specific ways to respond to many of the challenges in this “Ten Point Assessment...”

Concluding Comments

As a summary comment in this introduction, this writer hopes that the evidence and conclusions offered in this paper will be sufficient to suggest that most communities in the United States, and in other parts of the world, need to

- a) re-evaluate the topics which are dominating public discourse
- b) encourage higher levels of civility in public discourse
- c) increase our cultures’ capacity to produce men and women of high integrity and virtuous character
- d) encourage maximum citizen participation in community education designed to raise awareness and create consensus for action plans to mitigate or minimize the negative impacts these challenges could have in the months and years ahead.

a three page introduction

A Three Page Introduction to the “IPCR Critical Challenges Assessment 2011-2012” Summary Report

The “Summary Report” document described in this 3 page Introduction was initially meant to be the “Statistics and Observations” part for the Debt Crises part (Section #6) of the “IPCR Critical Challenges Assessment 2011-2012” project. Due to accumulated evidence and unfolding events, it became a preview of what the final report for the whole “Assessment” project might look like.

This 439 page “Summary Report” document is accessible from the IPCR webpage for the “IPCR Critical Challenges Assessment 2011-2012” project, at <http://www.ipcri.net/Critical-Challenges-Assessment.html> (where readers can find three other draft sections for this project)—and from the IPCR Initiative homepage, at www.ipcri.net . Readers looking for a quick overview of the document can refer to the detailed “Table of Contents” (on page 2, here is a link to the “Table of Contents”), this three page introduction, or the eight page introduction which follows this.

The eight main section headings in “Summary Report” are:

- I. Definitions of Education, Suggestions for Questionnaires
- II. Ghosts of Capitalism Past
- III. The United States—and “Implicit Legitimation”
- IV. Cultures of Violence, Greed, Corruption, and Overindulgence
- V. Other Challenges Which Are Part of This Writer’s Ten Point List (see Appendix A) and Which Need to be Resolved as Part of a Sustainable Solution to the Current Debt Crises
- VI. Four Summaries of Critical Challenges Ahead
- VII. “The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt....”
- VIII. Solutions (115 pages)

There is also a 55 page Appendices, which provides much detailed information about The IPCR Initiative’s “constellation of initiatives” approach—which can do much to create, develop, and accelerate solution-oriented activity. Some of the sections in the Appendices: D. Brief Descriptions of The Eight IPCR Concepts (“Community Good News Networks”, “Community Faith Mentoring Networks”, “Spiritual Friendships”, “Questionnaires That Help Build Caring Communities”, “Community Visioning Initiatives for Peace”, “Spiritually Responsible Investing”, “Ecological Sustainability”, and “IPCR Journal/Newsletters”); **G. A 15 Step Outline for the kind of Community Visioning Initiatives advocated by The IPCR Initiative**; H. Suggestions for Making Best Use of the Community Visioning Initiative (CVI) Process; I. 117 Related Fields of Activity; L. A Sample Questionnaire from The IPCR Initiative (16 Questions) (Some suggestions for questions to use in preparing for Community Visioning Initiatives). [For a brief summary of the IPCR “constellation of initiatives” approach, see “The Potential of Community Visioning Initiatives (in 500 words), included in this mailing.]

[Note: Two Appendices have been added (in this August, 2012 “second edition”):

- a) Appendix O contains excerpts from 19 articles which provide additional supporting evidence for the critical challenges identified, and the urgency need to involve as many people in local community settings as possible in solution-oriented activity.
- b) Appendix P is a 9 page article titled “Community Visioning Initiatives or General Elections”, which describes the IPCR “constellation of initiatives” approach to increasing citizen participation in solution-oriented activity.]

Below are six excerpts from the 8 page “Introduction”:

The evidence in these sections suggest that many of the issues which have resulted in the debt crises (and many other critical challenges) are problems which are at the very core of our difficulties with being human beings...and thus will require much more than the usual amount of problem solving, if we are to “change course”. The debts owed are not just monetary. The debts owed include the quantity of human effort which will needed in the future to remedy the destructive consequences of the tragic moral lapses in the past—and the destructive consequences of tragic moral lapses in our present circumstances....

...Again and again, in references to the debt crises, there is mention of the need for “economic growth”... Unfortunately, the kind of “economic growth” which is most often being referred to includes a vast array of “enterprises” which require the continued exploitation of flaws and weaknesses in human nature, fragile ecosystems, and already significantly depleted natural resources—and which are much of the reason why cultures of violence, greed, and corruption have become so common that most people believe they are inevitable. (See Section IV “Cultures of Violence, Greed, Corruption, and Overindulgence”)....

...What might constitute a “constellation of initiatives” approach to accelerating solution-oriented activity is explored in more detail in Section VIII “Solutions” (115 pages), and in the Appendices (55 pages). The six subsections in the “Solutions” section are: “The ‘Constellation of Initiatives’ Approach of The IPCR Initiative”; **“Transition Ahead: Less Megacities and More Ecologically Sustainable Towns and Villages”**; “Increasing Transitional Employment”; “About the ‘Interfaith’ in Interfaith Peacebuilding”; “Community Service Opportunities for Local Newspapers”; “Re-defining Wealth--and Other Community Service Opportunities for Investors”, and “Evaluating the Effectiveness of Community Visioning Initiatives”. In the “Solutions” section there are references to many service-oriented initiatives, and much detail provided about their work, to illustrate as clearly as possible that we have the necessary knowledge and resources to overcome the challenges of our times....

And yet... even though we do have the necessary knowledge and resources, many people do not understand the urgent necessity for accelerating solution-oriented activity. Unfortunately, the current content of our public discourse (cultural influences magnified most frequently by mass media) does not include enough messages from people who speak honestly, truthfully, respectfully, and responsibly about the nature and dimensions of the challenges ahead. Thus, confidence is dissipating rather than being built up—particularly in the United States—because our public discourse does not honestly and truthfully identify enough of the actual challenges we are now facing *for all of us—collectively—to know that our efforts will be enough to overcome them....*

...Unfortunately, the critical challenges associated with dysfunctional and destructive ideas from the past, the critical challenges associated with the limits to “economic growth”, and the critical challenges associated with cultures of violence, greed, and corruption only represent part of the obstacles and

difficulties we face. From among other challenges listed in Appendix A (and keeping in mind that Appendix A is simply *this writer's list....*), we also have to contend with an extremely complex cultural environment—where there are so many organizations and initiatives, advocating for so many agendas, and in the context of so many mass media information providers (the Internet, television, radio, print etc—and the corresponding owners of such outlets), that it is difficult *even for people highly skilled in identifying what is reliable evidence* to sort out what are the most critical challenges, and what are practical solutions to those challenges. *Problem solving in the everyday circumstances of our modern societies has become this complicated and complex.* Thus, people who are have a “knowledge deficit” when it comes to understanding the challenges of our times are everywhere, and they are investing their time, energy, and money—voting—all the time.

...There are many ideas which represent solution-oriented activity—and many ways solution-oriented activity could be accelerated—but these ideas and approaches are simply not “coming through the mist as much as they should be”. The need to achieve “clear vision”, the need for affordable education systems appropriate to the tasks ahead, and the need to inspire the involvement and participation of as many citizens as possible, has urged The IPCR Initiative to advocate for a combination Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times. [Note: Regarding the complex nature of the challenges ahead, the following “rule of thumb” may be helpful: “The smaller the circumference, the more accurately can we gauge the results of our actions, and (the) more conscientiously shall we be able to fulfill our obligations as trustees.” (J.C. Kumarappa) There are many more helpful suggestions along these lines in subsection B (in “Solutions” Section VIII) titled “Transition Ahead: Less Megacities and More Ecologically Sustainable Towns and Villages”—and more excerpts from J.C. Kumarappa’s book “Why the Village Movement?” on p. 281-282.]

Here also, is an excerpt from the “Closing Comments” section of the 8 page “Introduction”:

There can be much very useful public discourse on how to create effective local Community Visioning Initiatives, of the kind which can succeed in turning polarizing circumstances into collaborative efforts (and thus make best use of the knowledge and skills each one of us has), and which can create, develop, and accelerate a full array of solution-oriented activity. I hope that sometime in the near future I can assist with preparing for and carrying out Community Visioning Initiatives of the kind advocated by The IPCR Initiative. If many people could see and feel the practical value of carrying out similar forms of Community Visioning Initiatives, such collaborative, solution-oriented activity could become a common experience... a common cultural tradition... a cultural tradition which can link many diverse communities of people together, in a fellowship of people working towards the greater good of the whole... and a cultural tradition which can help pass on to future generations the best ideas humans have accumulated in more than 5,000 years of human history.

There are many danger signs flashing now. I hope this “IPCR Critical Challenges Assessment 2011-2012: Summary Report” are relevant and useful to people who are trying to navigate the complexities of our times, and people who are trying to contribute as much as possible to creating, applying, and sharing solutions. If there are people who have comments, suggestions, or questions about the “Multi-Angle” document (or about any IPCR documents or resources)—or who are moved in some way to share about their experiences trying to navigate the complexities of our times—I encourage them to write to me, at stefanpasti@ipcri.net . There is a challenging learning curve ahead for all of us; surely it will be better if we work together, and share both our difficulties and our ideas for overcoming those difficulties.

an eight page introduction

An Eight Page Introduction to the “IPCR Critical Challenges Assessment 2011-2012” Summary Report

The Initial Plan—and What Actually Came Into Being

This 8 page document is an introduction to a 439 page document titled “IPCR Critical Challenges Assessment 2011-2012: Summary Report”.

The initial plan for the “Summary Report” document was that it would be a compilation of excerpts and evidence from articles, websites, etc illustrating that the debt crises is one of the ten most critical challenges of our times. And that as such it would be added to the three draft sections already completed (out of ten) for the “IPCR Critical Challenges Assessment 2011-2012” project (for more information, and access to the draft sections made available up to this point, visit the IPCR webpage for this project, at <http://www.ipcri.net/Critical-Challenges-Assessment.html>) .

However, in the process of trying to follow that plan, more and more excerpts and evidence (from an increasing variety of sources) seemed to be worthy of being considered “dots” relevant to the “big picture”. Furthermore, many of these “dots” were missing from the views given the most space in current public discourse (cultural influences magnified most frequently by mass media). And then the debt crises itself started moving into a “dangerous phase”. Thus, what actually came into being is more than just a section of a larger project. Evidence, and events, suggested that this writer condense the material he had accumulated so far (including research for sections not yet in draft form), and create a document which foreshadows what the completed “IPCR Critical Challenges Assessment 2011-2012” project report would look like. Readers will therefore find that evidence for most of the ten critical challenges highlighted by the IPCR “Critical Challenges” project is included in this “Summary Report” document [see Section IV. “Cultures of Violence, Greed, Corruption, and Overindulgence” and Section V. “Other Challenges Which Are Part of This Writer’s Ten Point List (see Appendix A) and Which Need to be Resolved as Part of a Sustainable Solution to the Current Debt Crises”]. When evidence from so many different sides of the “Debt Crises” is brought together in this way, it is difficult to avoid the conclusion that there is an urgent need to create, develop, and accelerate a full array of solution-oriented activity, as soon as possible.

Much of the outline for this Summary Report is included in the “Table of Contents” (on page 2-- here is a link to the [Table of Contents](#)

). This introduction will offer some insight into the significance of specific sections, and provide commentary which summarizes the most important conclusions.

The Importance of “What Gets Passed On to Future Generations as ‘Cultural Norms’”

Sections II-VI (92 pages) provide some historical background, and provide evidence for some of the many challenges we now face. These sections may help readers understand that “what gets passed on to future generations as ‘cultural norms’” is an important part of the current “Debt Crises”. These five sections are titled: “Ghosts of Capitalism Past”; “The United States—and ‘Implicit Legitimation’”; “Cultures of Violence, Greed, Corruption, and Overindulgence”; “Other Challenges Which Are Part of

This Writer’s Ten Point List (see Appendix A) and Which Need to be Resolved as Part of a Sustainable Solution to the Current Debt Crises”; and “Four Summaries of Critical Challenges Ahead”.

The evidence in these sections suggest that many of the issues which have resulted in the debt crises (and many other critical challenges) are problems which are at the very core of our difficulties with being human beings...and thus will require much more than the usual amount of problem solving, if we are to “change course”. *The debts owed are not just monetary*. The debts owed include the quantity of human effort which will needed in the future to remedy the destructive consequences of the tragic moral lapses in the past—and the destructive consequences of tragic moral lapses in our present circumstances.

People who believe that because they have no conscience there are no after-effects and consequences associated with their actions are disconnected from the reality of “what gets passed on to future generations as ‘cultural norms’”. People in the generations now alive on this planet have received (as our inheritance from previous generations) ideas about “cultural norms”—a “package” which includes many ideas which in reality have counter-productive, harmful, or even crippling effects on efforts to support and maintain the “greater good of the whole”. We are finding that out “big time” in our current circumstances. There are many danger signs flashing now. More and more people are coming to the realization that overcoming the challenges of our times will require problem solving on a scale most of us have never known before—and that there is an urgent need to restructure our economic systems and our education systems to respond to these challenges.

Downside Risks Resulting from High Levels of Debt, Moral “Blind Spots”, and Limits to Growth

Section VII “The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt....” (114 pages) includes two subsections: A. “Some Important Considerations Associated with U.S. Debt” and B. “A Timeline of Articles on the European Debt Crisis, and Related Crises (articles from August 3, 2011—January 5, 2012) (mostly excerpts, some whole articles; from Reuters, Huffington Post, and other sources) [includes references to 94 articles, and a summary (chronological) list of article titles]”.

Again and again, in references to the debt crises, there is mention of the need for “economic growth”, so that there will be enough business income to pay salaries and wages, and pay down bank debt; so that there will be enough household income to cover expenses, and pay down consumer debt; and so that there will be enough tax revenues to cover the costs of public services, and pay down massive government debt. And there is the implication that without such “economic growth” there will be an increased risk of business failings, household bankruptcies, bank failings, and sovereign debt defaults. One important “danger signal” which is now “flashing” is the unwillingness of investors to buy enough of some governments’ long term bonds (which have in the past been considered risk-free investments at returns of around 2%) unless the return guaranteed is more than 7%. There are an increasing number of investors who are not “confident” about some government bonds—who are worried about whether such bonds will actually have any significant value 10 years from now. Unfortunately, the kind of “economic growth” which is most often being referred to includes a vast array of “enterprises” which require the continued exploitation of flaws and weaknesses in human nature, fragile ecosystems, and already significantly depleted natural resources—and which are much of the reason why cultures of violence, greed, and corruption have become so common that most people believe they are inevitable (see Section IV “Cultures of Violence, Greed, Corruption, and Overindulgence”).

There is an increasing amount of evidence to support the realization that overcoming the challenges of our times will require problem solving on a scale most of us have never known before—and that there is

an urgent need to restructure our economic systems and our education systems to respond to these challenges.

The Themes of Education and Education Systems

The themes which begin the document—in the “Preface” (“Key Themes Brought Forward in Many Ways in this ‘Multi-Angle’ Document”) and in Section I (“Definitions of Education, Suggestions for Questionnaires”)—point towards the critical importance of education and education systems in the years ahead.

Here are a few excerpts from both sections:

(from the “Preface”)

5. The challenges of our times are not something the experts will resolve while the rest of us are doing something else./ The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available./The investments of time, energy, and money that each of us make in our everyday circumstances becomes the larger economy.

6. Human morality is not a constant—it is not something which is the same throughout the centuries of human existence; human morality is something which can become degraded or raised up, depending on the leanings of human aspirations.

(from Section I)

“In times when people are trying to resolve multiple crises, it will be most helpful to make ongoing re-evaluations of education systems, to see if they are serving communities as well as they can.”

“Here, in the beginning section of this document, some definitions, observations, and sample evaluation questions are offered, as a way of providing some insight into—and encouraging some careful thinking about—the relationships between our ‘world views’ and our education systems.”

“This writer believes that there are many difficult challenges ahead (see Appendix A), and that we will need problem solving on a scale most of us have never known before for many years into the foreseeable future. Thus, he believes it is a time to use a ‘constellation of initiatives’ approach (details of The IPCR Initiative “constellation of initiatives” approach are provided in Section VIII A. and Appendices C-H) to re-evaluate our existing ‘world views’ (and the corresponding education systems), to build consensus for ‘local community identified and prioritized’ sets of challenges and solutions which are more appropriate to our current circumstances, and to re-create our education systems (economic systems, etc.) in ways which are more appropriate to overcoming the challenges of the times.”

What might constitute a “constellation of initiatives” approach is explored in more detail in Section VIII “Solutions” (108 pages), and in the Appendices (55 pages). The six subsections in the “Solutions” section are: “The ‘Constellation of Initiatives’ Approach of The IPCR Initiative”; “Transition Ahead: Less Megacities and More Ecologically Sustainable Towns and Village”; “Increasing Transitional Employment”; “About the ‘Interfaith’ in Interfaith Peacebuilding”; “Community Service Opportunities for Local Newspapers”; and “Re-defining Wealth--and Other Community Service Opportunities for

Investors”. In the “Solutions” section there are references to many service-oriented initiatives, and much detail provided about their work, to illustrate as clearly as possible that we have the necessary knowledge and resources to overcome the challenges of our times.

Bringing the Best Ideas “Through the Mist”

And yet... even though we do have the necessary knowledge and resources, many people do not understand the urgent necessity for accelerating solution-oriented activity. Unfortunately, the current content of our public discourse (cultural influences magnified most frequently by mass media) does not include enough messages from people who speak honestly, truthfully, respectfully, and responsibly about the nature and dimensions of the challenges ahead. Thus, confidence is dissipating rather than being built up—particularly in the United States—because our public discourse does not honestly and truthfully identify enough of the actual challenges we are now facing *for all of us—collectively—to know that our efforts will be enough to overcome them*. Confidence (not just confidence in financial markets, but confidence in our viability as a species) will be dimmed by a lack of clarity until there is truthful public discourse on the full dimensions of the critical challenges ahead. Confidence will be built up when we—collectively—believe that the efforts of everyone working together is a greater force than the challenges we are facing.

However, efforts so far to resolve this lack of clarity—and dissipating confidence—have come up against multiple obstacles and difficulties. Unfortunately, the critical challenges associated with dysfunctional and destructive ideas from the past, the critical challenges associated with the limits to “economic growth”, and the critical challenges associated with cultures of violence, greed, and corruption only represent part of the obstacles and difficulties we face. From among other challenges listed in Appendix A (and keeping in mind that Appendix A is simply *this writer’s list...*), we also have to contend with an extremely complex cultural environment—where there are so many organizations and initiatives, advocating for so many agendas, and in the context of so many mass media information providers (the Internet, television, radio, print etc—and the corresponding owners of such outlets), that it is difficult *even for people highly skilled in identifying what is reliable evidence* to sort out what are the most critical challenges, and what are practical solutions to those challenges. *Problem solving in the everyday circumstances of our modern societies has become this complicated and complex*. Thus, people who are have a “knowledge deficit” when it comes to understanding the challenges of our times are everywhere, and they are investing their time, energy, and money—voting—all the time.

There are many ideas which represent solution-oriented activity—and many ways solution-oriented activity could be accelerated—but these ideas and approaches are simply not “coming through the mist as much as they should be”. The need to achieve “clear vision”, the need for affordable education systems appropriate to the tasks ahead, and the need to inspire the involvement and participation of as many citizens as possible, has urged The IPCR Initiative to advocate for a combination Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times. [Note: Regarding the complex nature of the challenges ahead, the following “rule of thumb” may be helpful: “The smaller the circumference, the more accurately can we gauge the results of our actions, and (the) more conscientiously shall we be able to fulfill our obligations as trustees.” (J.C. Kumarappa) There are many more helpful suggestions along these lines in subsection B (in “Solutions” Section VIII) titled “Transition Ahead: Less Megacities and More Ecologically Sustainable Towns and Villages”—and more excerpts from J.C. Kumarappa’s book “Why the Village Movement?” on p. 281-282.]

The Contributions The IPCR Initiative Hopes to Make

Subsection A of the “Solutions” section (“The ‘Constellation of Initiatives’ Approach of The IPCR Initiative”) provides an overview of 7 key elements which are part of The IPCR Initiative approach to peacebuilding and community revitalization (and which have much potential to create solution-charged environments, and accelerate solution-oriented activity). Even more details associated with The IPCR Initiatives’ “constellation of initiatives” approach are provided in the Appendices. [Here it is worth highlighting Appendix D. “Brief Descriptions of The Eight IPCR Concepts”; Appendix G. “A 15 Step Outline for the kind of Community Visioning Initiatives advocated by The IPCR Initiative”; Appendix K. “(Draft) Section #7 (part of ‘IPCR Critical Challenges Assessment 2011-2012’) ‘A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions’ (‘Commentary’ piece)” (6 pages, *highly recommended*); and Appendix L. “A Sample Questionnaire from The IPCR Initiative (16 Questions) (Some suggestions for questions to use in preparing for Community Visioning Initiatives)”].

[Special Note: The “15 Step Outline” is an example of collaborative problem solving at the local community level—and an example of the kind of problem solving which requires that each of us (not just those in power) “actualize in our own lives” practices and processes which turn polarizing circumstances into collaborative efforts (which make best use of the knowledge and skills each one of us has). There are difficult challenges ahead. We will need the best efforts we can make at working together to overcome such challenges.]

One of the keys to understanding the value of contributions The IPCR Initiative can make is this: the IPCR Initiative is not trying to “displace” or “make irrelevant” any existing or forming initiatives (of a solution-oriented nature). The IPCR Initiative is trying to provide systematic community building/problem solving processes which can make best use of all of them, on the grounds that we will need the best contributions every one of us can make (*through the organizations and initiatives each of us prefers to support, and participate in*) if we are going to manage a transition from dysfunctional systems which are very complex to functioning systems which are much less complex.

There is another key element of The IPCR Initiative, however, which means that it cannot simply be a “hub” which assists many other organizations in achieving their goals (something a combination of Community Visioning Initiatives and “Community Teaching and Learning Centers” have the potential to do). While it may be understandable—due to the complex difficulties which arise from efforts to “make best use of” the treasured wisdom of all religious, spiritual, and moral traditions *when some of the traditions claim the others are not valid—that many initiatives and approaches do not make such efforts... The IPCR Initiative believes that it is becoming more and more likely that an exponential increase in compassion for our fellow human beings will need to become an essential and critical element of a truly comprehensive response to the challenges of our times. In such circumstances, we cannot afford to exclude from our “tool box” the time-tested sources which have helped people learn compassion over many centuries. What we need to do instead is to learn how to cultivate the time-tested sources so that the sources yield the treasured wisdom.* [Note: There are organizations and initiatives working along “interfaith” lines which have been an inspiration to this writer, and which offer many ways to participate in solution-oriented activity. For more information about those organizations and initiatives, see Subsection D. in the “Solutions” section (VIII) (titled “About the ‘Interfaith’ in Interfaith Peacebuilding).]

The most complete statement by The IPCR Initiative on both the difficulties and the potential for good along the lines of cultivating wisdom and compassion is in Appendix K. Faith helps move from “it hardly seems possible” to “it must be possible” (since faith believes love will prevail). The most advanced societies are the ones which are successful at integrating spiritual wisdom into the everyday circumstances of community life. (The two preceding statements are from Appendix B “17 Propositions and Premises which make up the foundation of The IPCR Initiative”.) The IPCR Initiative is an effort to contribute to the process of integrating spiritual wisdom into the everyday circumstances of community life.

The Importance of Cultivating Wisdom and Compassion, Increasing Transitional Employment, Encouraging Resource Sharing, and Re-defining Wealth

Given the complex challenges ahead, it is worth emphasizing (and re-emphasizing) (as often as possible) the importance of cultivating wisdom and compassion, increasing transitional employment, encouraging resource sharing, and re-defining wealth in the transition ahead. The following is a re-emphasis of those themes in the form of three references.

1) Here is an excerpt from #2 in the subsection “About the ‘Interfaith’ in Interfaith Peacebuilding”:

“And what is possible along the lines of wisdom and compassion? How many of us would say that we are fully aware of what is possible along the lines of wisdom and compassion? What would the everyday circumstances of our community life be like if many of us *were* fully aware of what is possible along the lines of wisdom and compassion? Many of us *could be* much more familiar with what is possible... unfortunately, much of the real treasured wisdom of religious, spiritual, and moral traditions now seems to be hidden—and thus in need of being re-discovered. These “hidden” resources include teachings which inspire and encourage people to

- a) place a high priority on the development of truth, virtue, love, and peace—and live disciplined lives for the purpose of adhering to truth, cultivating virtue and love, and maintaining the pathways to enduring peace
- b) sacrifice personal desires for the greater good of the whole
- c) find contentment and quality of life while consuming less material goods and ecological services
- d) prefer peacebuilding which supports and actualizes mutually beneficial understandings, forgiveness, and reconciliation—and *which abstains from violent conflict resolution*—as a way of bringing cycles of violence to an end
- e) use resources carefully, so that there is surplus available for emergency assistance
- f) support community life and cultural traditions which “... bring to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it.

2) As a way of helping the processes of “...bringing to the fore what is often hidden....”, increasing “transitional employment”, and re-defining wealth, readers are encouraged to have a close look at

- a) subsection E. in the “Solutions” section (“Community Service Opportunities for Local Newspapers”)
- b) subsection F. in the “Solutions” section (“Re-defining Wealth--and Other Community Service Opportunities for Investors”)

c) subsection C. in the “Solutions” section (“Increasing Transitional Employment”) (which includes the topic “Community Visioning Initiatives, Job Fairs, and Local Currencies”—*highly recommended*)

3) And here are a few excerpts from “The IPCR Resource Sharing Policy”:

“In light of the urgent need to build bridges and increase collaboration between diverse communities of people, all of the documents, information, resources, etc. created by The IPCR Initiative and accessible at The IPCR Initiative website (at www.ipcri.net) are accessible for free, and may be used without permission and without attribution. This writer gladly and willingly contributes time, energy, and money to make the resources and documents of The IPCR Initiative accessible to people for their own personal use, or so that they can assist fellow human beings and contribute to the greater good of the whole.”

“The challenges ahead are significant; if IPCR resources can help people build solution-oriented momentum, *that* would be the best kind of compensation.”

“Thus, once a pilot project [using IPCR resources of any kind (for examples, see The IPCR Initiative homepage, at www.ipcri.net)] is underway, the IPCR Initiative does not require that any such pilot projects use The IPCR Initiative name, or adhere to any common mission statement, or list of shared goals. In other words, any individuals or communities of people using IPCR ideas or resources will have no obligation to adhere to a “brand” message—or even reference or make attribution to IPCR resources which inspired their efforts. They can build, adopt, change, modify, and otherwise create their own way forward—with their own name for the initiative, their own website content, their own stated goals, etc. By encouraging innovation and creativity in this way many different experiments can be made, and there will be more chances that many communities of people will arrive at many different kinds of successful model projects.”

“In addition, if communities of people can arrive at the understanding that the *whole community* will be sufficiently compensated by carrying out the “constellation of initiatives” kind of solution-oriented activity advocated by The IPCR Initiative, questions regarding personal compensation will be of lesser importance... the exponential increase of solution-oriented activity will dispel the lack of trust which compels people to be overly concerned with accumulating and safe-guarding a predominantly personal definition of wealth. It is in this spirit of “*contributing to the greater good of the whole, and helping to restore confidence in the higher values of life*” that all documents, information, etc created by The IPCR Initiative are accessible for free, and viewed as resources which ought to be made as accessible as possible to people who can make good use of them.”

“[Please note: Quotes, statistics, and other copyrighted material used in IPCR documents have been appropriately attributed to their copyrighted sources. Readers may thus be assured that The IPCR Initiative encourages and supports the proper referencing of copyrighted material to their copyrighted sources.]”

Closing Comments

There can be much very useful public discourse on how to create effective local Community Visioning Initiatives, of the kind which can succeed in turning polarizing circumstances into collaborative efforts (and thus make best use of the knowledge and skills each one of us has), and which can create, develop, and accelerate a full array of solution-oriented activity. I hope that sometime in the near future I can assist with preparing for and carrying out Community Visioning Initiatives of the kind advocated by The

IPCR Initiative. If many people could see and feel the practical value of carrying out similar forms of Community Visioning Initiatives, such collaborative, solution-oriented activity could become a common experience... a common cultural tradition... a cultural tradition which can link many diverse communities of people together, in a fellowship of people working towards the greater good of the whole... and a cultural tradition which can help pass on to future generations the best ideas humans have accumulated in more than 5,000 years of human history.

What can we do—at this particular point in time—in the everyday circumstances of our lives, to bring the best ideas from the storehouses of accumulated wisdom now accessible to us and “through the mist”, so that our community building and problem solving processes will be most effective in helping us overcome the challenges of our times?

“In the best of times, even the most profound challenges can be overcome; for in the best of times, _____ is/are nurtured, supported, and sustained by family, friends, teachers, mentors, elders, and the everyday influences of community life and cultural traditions.”

This document the “IPCR Critical Challenges Assessment 2011-2012: Summary Report” is an effort to assist fellow human beings in identifying what—from the storehouses of accumulated wisdom now accessible to us—would best answer the above question “What can we do...”, and what—from the storehouses of accumulated wisdom now accessible to us—would best fill in the blank in the above statement.

For a Peaceful and Sustainable Future,

Stefan Pasti, Founder and Outreach Coordinator
The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative

Foreword to the “Second Edition”

As mentioned on the title page, this document was created as a “second edition”/update to the document “Calling ‘the better angels of our nature: A Multi-Angle view of the Debt Crises’”. For this “second edition”, a different title has been used (“Critical Challenges Summary Report”), as it may be that some of the value of the “summary report” was obscured by the emphasis on “Debt Crises” in the original title.

There are five additions to the original “Multi-Angle” document, in this “second edition”/updated version. Three different introductions have now been added to the document—and two more Appendices have been added (one with updated evidence relating to the critical challenges identified, and one which is an article introducing Community Visioning Initiatives as a alternative to General Elections.

This information, also provided on the title page, is repeated here because there was a need for an additional page to keep the same page numbers that the original version had. Such are the challenges of formatting.

“IPCR Critical Challenges Assessment 2011-2012: Summary Report”

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Key Themes Brought Forward in Many Ways in this “Multi-Angle” Document

1. As a result of the unprecedented opportunities created by the expansion of the Internet, we have now arrived at a very auspicious moment in time... for at no other time in the course of history has so many people had access to so much in the way of time-tested guidelines, inspiring role models, and service-oriented initiatives relevant to peace, prosperity, and happiness for all humanity.
2. We now live in a very complex world. There are many difficult challenges ahead (see Appendix A). More and more people are coming to the realization that overcoming the challenges of our times will require problem solving on a scale most of us have never known before—and that there is an urgent need to restructure our economic systems and our education systems to respond to these challenges.
3. One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.
4. The idea that so many people in the world could be without a way to earn a living at a time when there is so much critical work to do simply does not speak well of those people and organizations in a position to direct significant financial resources along the lines of solution-oriented activity.
5. The challenges of our times are not something the experts will resolve while the rest of us are doing something else./ The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available./The investments of time, energy, and money that each of us make in our everyday circumstances becomes the larger economy.
6. Human morality is not a constant—it is not something which is the same throughout the centuries of human existence; human morality is something which can become degraded or raised up, depending on the leanings of human aspirations.
7. What we need more of now: a) people who prefer the kind of peacebuilding which supports and actualizes mutually beneficial understandings, forgiveness, and reconciliation—and *which abstains from violent conflict resolution*—as a way of bringing cycles of violence to an end b) people who use resources carefully, so that there is surplus available for emergency assistance and c) people who support community life and cultural traditions which “... bring to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it”.
8. If communities of people can arrive at the understanding that the *whole community* will be sufficiently compensated by carrying out the “constellation of initiatives” kind of solution-oriented activity advocated by The IPCR Initiative, questions regarding personal compensation will be of lesser importance... the exponential increase of solution-oriented activity will dispel the lack of trust which compels people to be overly concerned with accumulating and safe-guarding a predominantly personal definition of wealth. It is in this spirit of “*contributing to the greater good of the whole, and helping to restore confidence in the higher values of life*” that all documents, information, etc created by The IPCR Initiative are accessible for free, and viewed as resources which ought to be made as accessible as possible to people who can make good use of them.

I. Definitions of Education, Basic Philosophical Questions

A. What do we want our education systems to do?

In times when people are trying to resolve multiple crises, it will be most helpful to make ongoing re-evaluations of education systems, to see if they are serving communities as well as they can. It will also be most helpful if a majority of the residents in a particular community or region understand how many different ways education occurs in our complex world—as once this is understood, efforts can be made to make better use of such pathways.

Here, in the beginning section of this document, some definitions, observations, and sample evaluation questions are offered, as a way of providing some insight into—and encouraging some careful thinking about—the relationships between our “world views” and our education systems. A central focus of The IPCR Initiative is its advocacy for a combination Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times. This kind of “constellation of initiatives” approach to identifying challenges and accelerating solution-oriented activity can be utilized by communities of people to revitalize an existing “world view” and its corresponding education systems—or to re-evaluate an existing “world view”, by building consensus for a “culturally acknowledged” set of challenges and solutions which are more appropriate to our current circumstances.

The five definitions below are offered as starting points for thinking about the relationships between our “world views” and our education systems. These starting points may help readers think of definitions and premises which relate more closely to their “world view”. The key point here is to encourage careful thinking about the relationships between our “world views” and our education systems—and to encourage careful thinking about the question “Are our education systems doing what we would like them to do?”

This writer believes that there are many difficult challenges ahead (see Appendix A), and that we will need problem solving on a scale most of us have never known before for many years into the foreseeable future. Thus, he believes it is a time to use a “constellation of initiatives” approach (details of The IPCR Initiative “constellation of initiatives” approach are provided in Appendices C-H) to re-evaluate our existing “world views”, to build consensus for a “culturally acknowledged” set of challenges and solutions which are more appropriate to our current circumstances, and to re-create our education systems (economic systems, etc.) in ways which are more appropriate to overcoming the challenges of the times.

Here are five definitions, which are offered as starting points for thinking about the relationships between our “world views” and our education systems:

1) By this writer, with ideas (and one partial quote) from article “Moral and Value Conflicts” by Michelle Maiese (July, 2003) (see paragraph 3) (see <http://www.beyondintractability.org/bi-essay/intolerable-moral-differences>) Michelle Maiese (see knowledge based essay "Moral or Value Conflicts", paragraph 3) The Beyond Intractability Knowledge Base Project is “A Free Knowledge Base on More Constructive Approaches to Destructive Conflict “, and is affiliated with the University of Colorado, Colorado (USA) Guy Burgess and Heidi Burgess, CoDirectors and Editors c/o Conflict Information Consortium (Formerly Conflict Research Consortium)

As young children grow into adults, the everyday circumstances of community life and cultural traditions provide “frameworks” by which they “understand their experiences and make judgments about what is valuable and important”. These “frameworks” shape the way people come into contact with each other, and the way they interpret facts, issues, and events—and provide the context by which people decide what are appropriate responses to the circumstances of their lives. These “frameworks” are often the source of a person’s thoughts about who they are, how they feel about themselves, how they evaluate other peoples “frameworks”, and how other people might evaluate their “framework”.

2) From “General Education in a Free Society” by The Harvard Committee, 1945 in “American Higher Education Transformed, 1940-2005: Documenting the National Discourse” Eds. Wilson Smith and Thomas Bender Johns Hopkins University Press Baltimore, Maryland 2008 Selections from “The Harvard Report” on p. 14-20 (Excerpt is from p. 20) Editor’s introduction to “The Harvard Report”, which may also be of interest to readers, begins “The dominant curricular statement of James Bryant Conant’s presidency of Harvard University (1933-53)...” (excerpt accessible through “search in book” for phrase “truths which none can be free to ignore” in google books limited preview of “American Higher Education Transformed...”)

“... there are truths which none can be free to ignore, if one is to have that wisdom through which life can become useful. These are the truths concerning the structures of the good life and concerning the factual conditions by which it may be achieved...”

3) From “Democracy and Education: An Introduction to the Philosophy of Education” by John Dewey New York The Macmillan Company 1916 (p. 24) (whole text accessible through google books) (confirmed October 20, 2009)

“... it is the business of the school environment to eliminate, so far as possible, the unworthy features of the existing environment from influence on mental habitudes.... Every society gets encumbered with what is trivial, with dead wood from the past, and with what is positively perverse. The school has the duty of omitting such things from the environment which it supplies, and thereby doing what it can to counteract their influence in the ordinary social environment. By selecting the best for its exclusive use, it strives to reinforce the power of the best. As a society becomes more enlightened, it realizes that it is responsible not to transmit and conserve the whole of its existing achievements, but only such as to make for a better future society. The school is its chief agency for the accomplishment of this end.”

4) From the Catholic Encyclopedia entry on Education (section at the beginning subtitled “Education: In General”) (at <http://www.newadvent.org/cathen/05295b.htm>) (see paragraph 1). (Note: Could not identify which edition of the Catholic Encyclopedia this source represented; thus cannot identify editors or publisher.) (confirmed April 3, 2011)

“The meaning of life, therefore, of its purposes and values as understood by the educator, primarily determines the nature of his work. Education aims at an ideal, and this in turn depends on the view that is taken of man and his destiny, of his relations to God, to his fellowmen, and to the physical world. The content of education is furnished by the previous acquisition of mankind in literature, art, and science, in moral, social, and religious principles. The inheritance, however, contains elements that differ greatly in value, both as mental possessions and as means of culture; hence a selection is necessary, and this must be guided largely by the educational ideal.”

5) From “Why the Village Movement?” by J.C. Kumarappa The edition this writer has includes the 1939 edition foreword by Mahatma Gandhi, and was printed on handmade paper in Rajchat, Kashi in 1960 [Excerpt a) is from p. 65; excerpt b) is from p. 183]

a) “Work absorbs most of our waking hours, and many of the problems connected with work and our dealings with our fellow man are what determine the nature of our life. Therefore, it behooves us to sit up and take note of what our work makes of us....”

b) “The function of work should be to practice our ideal of life.”

Also, in the context of this brief (starting point) discussion on the relationships between “world views” and education systems, this writer offers the following four observations:

a) This writer’s view of the ten most critical challenges of our times—which is in Appendix A

b) From Special Order speech on floor of House of Representatives February 28, 2008 by Rep. Roscoe Bartlett (R-MD) Transcript at <http://www.xecu.net/thorn/PO/PO-Feb28-2008.html> [the xecu.net link also provides a listing of links to special order speeches on peak oil and energy by Rep Bartlett—from March 14, 2005 to July 17, 2008 (35 different special order speeches) (see <http://www.xecu.net/thorn/PO/>) (confirmed August 28, 2011)

...”With some confidence, I can tell you that the age of oil out of 8,000 years of recorded history will occupy about 300 years. As Hyman Rickover noted, this is but a blip in the long history of man. He said, “Fossil fuels resemble capital in the bank. A prudent and responsible parent will use this capital sparingly in order to pass on to his children as much as possible of his inheritance. A selfish and irresponsible parent will squander it in riotous living and care not one whit how his offspring will fare.” I have 10 kids, 16 grandkids, and two great grandkids. I am really concerned about their future relative to energy.

“Do you know what we should have done when we found this incredible wealth under the ground, a barrel of which equaled the work output of 12 people working all year? We should have stopped to ask ourselves, what can we do with this to provide the most good for the most people for the longest time? That clearly is not what we did. With no more responsibility than the kids who found the cookie jar or the hog who found the feed room door open, we have just been pigging out.”....

c) From article “Reflections from Colin Campbell on Peak Oil and ASPO” by Dave Bowden (On September 23, 2009 Dave Bowden video-taped Colin Campbell at his home on the southwestern coast of Ireland. Excerpts of that interview make up the article) at the Energy Bulletin website on October 19, 2009; see <http://www.energybulletin.net/node/50427>) (Excerpts from that video tape make up the article) (confirmed April 3, 2011)

[Note: “Colin J. Campbell, Ph.D. Oxford, (born in Berlin, Germany in 1931) is a retired British petroleum geologist who predicted that oil production would peak by 2007. The consequences of this are uncertain but drastic, due to the world's dependence on fossil fuels for the vast majority of its energy. His theories have received wide attention but are disputed by some in the oil industry and have not significantly changed governmental energy policies at this time.... Influential papers by Campbell

include *The Coming Oil Crisis*, written with Jean Laherrère in 1998 and credited with convincing the International Energy Agency of the coming peak; and *The End of Cheap Oil*, published the same year in *Scientific American*.... The Association for the Study of Peak Oil and Gas, founded by Campbell in 2000, has been gaining recognition in the recent years. The Association has organized yearly international conferences since 2002. The most recent was in Denver, Colorado on 11-13 October 2009.” (From Wikipedia entry for Colin J. Campbell; at [http://en.wikipedia.org/wiki/Colin_Campbell_\(geologist\)](http://en.wikipedia.org/wiki/Colin_Campbell_(geologist))) (confirmed April 3,2011)

(from last exchange in the article)

“Question: What about the notion of making America energy independent?

“Campbell: It can't be done voluntarily. To make America energy-independent is not something I think any government can achieve. But within 50 years that's what nature will deliver. Countries will have to be energy independent. They have no alternative. Some may get there quicker than others, but it's not something some government will say, well this is our plan of action. It will be delivered to them by the force of nature. So America will indeed be energy independent and probably quite soon if these imports dry out. What that means and how they react to such a situation is another day's work.”

d) From Dr. Fatih Birol (Chief Economist and Head of the Economic Analysis Division of the Parisbased International Energy Agency) Interview with Astrid Schneider (Internationale Politik) Posted at www.relocalize.net “News Postings” section on May 3, 2008 (accessible at http://old.relocalize.net/fatih_birol_interview_leave_oil_before_it_leaves_us (begins with question 23 by Schneider) (confirmed April 3, 2011)

“Schneider: If I understand you correctly, you say that the demand for oil could rise 3 % globally every year, while we have to expect a decrease of 4 % in oil production in the time from now until 2015. That would be 7 % each year which are missing.

“Birol: The demand might increase a little slower. But there could be a large gap between what should be there and what actually will be there, especially if we do not put massive efforts into improving the efficiency of cars or change to other transportation systems. If we don't take measures on the consumer side, the consumption will continue to grow. And if we have not invested enough into oil production, we will flounder.

“Schneider: But when you think of the life cycle of goods, of the long investment cycles of machines, power stations or air conditioning systems: do you think an adjustment of the consumer side to a lower supply path could be done that fast?

“Birol: No, but I don't think that prices will go up that rapidly. We can see a gradual incline and that will give the people some time to adapt. But on the long run it has to be clear: if oil will be gone by 2030, or in 2040 or 2050 does not change much.

“Schneider: You really say that?

“Birol: Yes, one day it will definitely end. And I think we should leave oil before it leaves us. That should be our motto. So we should prepare for that day - through research and development on alternatives to oil, on which living standards we want to keep and what alternative ways we can find.”

B. Suggestions for Questionnaires (which can help build local community consensus on what we want our education systems to do)

Note: Organizations and communities of people often use questionnaires and surveys to identify problems and solutions, and to build consensus for collective action. Here in this section, five example questions are offered, as starting points for understanding the role of questionnaires in developing education goals for local communities. For more information about many valuable contributions which can be made through well-thought out questionnaires, see Section VIII. A. 4) (p. 241)(“ Questionnaires—to bring forward perceptions and ideas, and to build consensus for collective action”). For more sample questions, see Appendix L. “A Sample Questionnaire from The IPCR Initiative (16 Questions) (Some suggestions for questions to use in preparing for Community Visioning Initiatives)”.

1) Definition of “the good life”

What is your definition of “the good life?” Please describe your definition of “the good life”—including both those parts of “the good life” which you already have, and those parts of “the good life” which you still hope to attain. (Note: Please clearly indicate which parts of “the good life” you already have, and which parts you still hope to attain.)

2) Identifying Experienced Practitioners, Stakeholders, and People Needing Assistance

Consider the assessment of the most critical challenges of our times which is offered in Appendix A. (Note: For this question, readers may wish to construct their own list of the most critical challenges of our times—but it is not necessary to do that to understand the point of the question.)

a) Who are the Experienced Practitioners, who are most qualified to be educating people on how to successfully overcome each of the challenges identified?

(Special Notes: Please be specific, as in times of emergency, it will be most important for leaders to understand which people are perceived as most qualified by the majority of the residents in a particular community. Also, please be straightforward and honest: if you do not know who would be most qualified to respond, please respond accordingly.)

b) Who are the Stakeholders (the people who will be affected by the education provided and guidance given by the Experienced Practitioners)?

c) Who are the People Needing Assistance (the people who do not know how to respond to the challenges you identified)?

3) Arriving at Working Definitions of “Right Livelihood”

Consider what ways of earning a living you would identify as “right livelihood.”

Now imagine a local community resource guide relating to employment, apprenticeships, training, and volunteer opportunities associated with “right livelihood.”

And further: imagine a committee commissioned to produce such a “right livelihood” resource guide.... And the individuals who make up the committee commissioned to produce such a resource guide....

- a) What background (qualifications, experiences, etc.) would you like such individuals to have?
- b) What local institutions would you consider most appropriate to commission such a resource guide, and oversee its production?

4) Curriculum Changes in Local Institutions Providing Formal Education?

Consider the assessment of the most critical challenges of our times which is offered in Appendix A. (Note: For this question, readers may also wish to construct their own list of the most difficult challenges of our times—but it is not necessary to do that to understand the point of the question.) (Also, readers may wish to consider the “117 Related Fields of Activity” list in Appendix I)

With these considerations in mind, please respond to question below.

Please check the appropriate box (boxes)—and also offer comments if you wish—to indicate your level of agreement or disagreement with the following statement:

The curriculum in our local institutions providing formal education will _____ for our community to build the knowledge base and skill sets necessary to overcome the challenges of our times.

- | | | | | |
|---------------------------|------------------------------|--|-----------------------------|---------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| need to
be transformed | need to
be modified often | have different view--
or different way of
understanding our
present circumstances | need to
be modified some | be sufficient
as it is |

Your different view, or different way of understanding our present circumstances: _____

5) Engines of Economic Stability

Many people seem to be worried that “the economy” will collapse if there is widespread movement from “consuming material goods and ecological resources indiscriminately” to “discriminating carefully about use of material goods and ecological resources”... and yet many of the challenges of our times are

very deeply rooted in cultural traditions, which suggest that it may require decades, generations, or even centuries to resolve such challenges. Surely, there will be work to do....

Please carefully consider the above introduction to this question, and then respond to the following questions.

a) Please name as many engines of economic stability and methods of economic conversion as you can which you believe would result in communities that

minimize resource requirements
maintain ecological sustainability
maintain a high level of compassion for fellow human beings

and which represent what a significant majority of community residents surveyed would describe as a high quality of life.

b) Please check the box below which best corresponds to your view of the following statement:

“It is possible to create, support, and sustain communities which can minimize resource requirements, maintain ecological sustainability, maintain a high level of compassion for fellow human beings— and which represent what a significant majority of community residents surveyed would describe as a high quality of life.”

- | | | | | |
|---|--|--|---|--|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I believe it-- and
there is much evidence
to support it | I believe it-- and
there is sufficient
evidence to
support it | I would like to
believe it, but there
isn't enough evidence
to support it | It is difficult to
believe it, with the
way things are
going now | I don't believe it—
there is no evidence
to support it |

II. Ghosts of Capitalism Past

A. Speculations about the origin and development of human power structures

From “Critical Path” by R. Buckminster Fuller

(many of these excerpts are accessible through a Google Books preview, at

http://books.google.com/books?id=2rPqFvn3nocC&printsec=frontcover&dq=critical+path&hl=en&ei=2rjKtqbNjCHk0QGtz4WeBA&sa=X&oi=book_result&ct=result&resnum=1&ved=0CDcQ6AEwAA#v=onepage&q=critical%20path&f=false)

A brief overview of Fuller’s speculations about the origin and development of human power structures....

1) “Protection” for traders—and “taxes” (from p. 68)

a) “‘Deeds’ to land evolved from deeds of arms.... This is how humans came to own land.... Thereafter, emperors psychologically fortified the cosmic aspect of their awesome power by having priests of the prevailing religions sanctify their land claiming....”

b) “The land barons discovered the most geographically logical trading points for caravaning.... One day they’re exchanging goods when along comes a troop of armed brigands on horseback. The head horseman says, “It’s pretty dangerous exchanging valuable things out here in the wilderness.” The caravaners leader says, “No, we never have any trouble out here. We have been doing this for many generations.” Then their goods begin to be stolen nightly; and finally the merchants agree to accept and pay for ‘protection’. That was the beginning of the walled city. The lead baron then gave each of his supporters control of different parts of that city so that each could collect his share of ‘taxes’.... This is how we came to what is called, archeologically, the city-state, which was to become a very powerful affair. There were two kinds: the agrarian-productivity-exploiting type and the trade-route-confluence-exploiting type.”

2) “Balance of trade” accounting (p. 73, 75-76)

“Up until 1500BC all money was cattle, lambs, goats, pigs—live money—that was real life support wealth, wealth you could actually eat.... This gradual alternation of world trading devices from cattle to gold brought about the world-around development of pirates.... In order to get their gold off the sea and out of the reach of pirates, the British made deals with the sovereigns of all the countries around the world with whom they traded, by which it was agreed from then on to keep annual accounts of their intertrading and at the end of the year to move the gold from the debtor’s bank in London to the creditor’s bank in London to balance the accounts.... This brought about what is now called the ‘balance of trade’ accounting.”

3) Shipbuilding, international trade, and international gold moneylenders (p. 73, p. 76)

a) “The building of a ship required that you must have acknowledged power to command all the people in the nation... all the skilled people had to be employed in the building and outfitting of your ship. In

addition you had to command all the farmers who produced the food to feed not only themselves but also to feed all those skilled people while they built the ship—and to feed all your army and all your court. So there was no way you could possibly produce one of these great ships unless you were very very powerful....”

b) “...international trading became the most profitable of all enterprises, and great land-owners with clear cut kings ‘deeds’ to their land went often to international gold moneylenders.”

4) High seas lines of supply, and international bankers (p. 72)

“...great battles ensued—waged under the flags of England, France, and Spain—to determine who would become the supreme master of the world’s high seas lines of supply. These great nations were simply the operating fronts of behind-the-scenes vastly ambitious individuals who had become so effectively powerful.... Always their victories were in the name of some powerful sovereign-ruled country. The real power structures were always the invisible ones behind the visible sovereign powers.... (Because the building of superior fleets of ships involved a complex of materials... large money credits for foreign purchase of these and other critical supplies brought control of sea enterprising into the hands of international bankers.)”

5) “Behind the throne” enterprises (from Introduction, p.xxi)

“Queen Elizabeth I’s East India Company’s scheme was to have her national navy (and armies) first win mastery of the world’s sea lanes. This advantage would thereafter be exploited by her privately owned enterprise.... Through such behind the throne influence the influenced nations resources could be politically maneuvered into paying for the building and operation of the navies and armies that would seek to establish and protect their respective privately owned enterprises.”

6) The building of enormous fortunes (p. 76-77)

a) “It was the financing of such international voyaging, trading, and individuals travel, as well as of vaster games of governmental takeovers, that build the enormous wealth-controlling fortunes of early European private banking families.”

b) (“It was under analogous circumstances of financing inter-American-European trade that, in the late nineteenth century, J.P. Morgan became a man of great power. By having his banking houses in Paris and London, Philadelphia and New York, he was able not only to finance people’s foreign travel, all their intershipment of goods, and to give letters of credit, but also to finance and control major ‘new era’ railroading, shipbuilding, mining, manufacturing, and energy-generating enterprises in general.”)

7) The evolution of capitalism—an overview (p. 98-99)

“It is appropriate at this point to do some reviewing of evolutionary changes that had been transpiring in the nature of capitalism.... It all starts with the land-based capitalism, a capitalism maintained by whoever seized, successfully defend, and controlled the land—ergo, owned the land. In land capitalism whoever owned the land, the fertile fields, etc, controlled all the wealth to be made from that land....

Suddenly we had a completely new form of capitalism, which required both the large scale financing and the integration of metals, mines, and more owners, metal refining and shaping into wholesaleable forms,—all to be established around the world by the world masters of the great lines of supply.... This new form of the world power structure’s capitalism—by ownership of the mines and metals working around the world—we call metals and mining capitalism. Whoever owned the mines had incredible power, but never as great as those who controlled the lines of their supply. Combining the two, 1) the mines and metals-producing industry and 2) the lines of supply, we have the world power structure that operated as the first supranational, world-around-integrated, metals cartels. They were out of reach of the laws of any one country, in a metals cartels capitalism. Combining these two with 3) the absolute need of the large financing and credit at magnitudes rarely affordable by any one individuals, we find finance capitalism integrating the world operation.”

B. Some tragic and terrifying examples of people overly influenced by a desire for profit

1) The Atlantic Slave Trade

(from Wikipedia page “Atlantic Slave Trade”, at http://en.wikipedia.org/wiki/Atlantic_slave_trade)

a) From the section “Triangular Trade”

“The first side of the triangle was the export of goods from Europe to Africa. A number of African kings and merchants took part in the trading of enslaved people from 1440 to about 1833. For each captive, the African rulers would receive a variety of goods from Europe. These included guns, ammunition and other factory made goods. The second leg of the triangle exported enslaved Africans across the Atlantic Ocean to the Americas and the Caribbean Islands. The third and final part of the triangle was the return of goods to Europe from the Americas. The goods were the products of slave-labour plantations and included cotton, sugar, tobacco, molasses and rum.”

b) From the section “Labor and Slavery”

“The Atlantic Slave Trade was the result of, among other things, labor shortage, itself in turn created by the desire of European colonists to exploit New World land and resources for capital profits. Native peoples were at first utilized as slave labor by Europeans, until a large number died from overwork and Old World diseases. Alternative sources of labor, such as indentured servitude, failed to provide a sufficient workforce.

“Many crops could not be sold for profit, or even grown, in Europe. Exporting crops and goods from the New World to Europe often proved to be more profitable than producing them on the European mainland. A vast amount of labor was needed to create and sustain plantations that required intensive labor to grow, harvest, and process prized tropical crops. Western Africa (part of which became known as 'the Slave Coast'), and later Central Africa, became the source for enslaved people to meet the demand for labor.

“The basic reason for the constant shortage of labor was that, with large amounts of cheap land available and lots of landowners searching for workers, free European immigrants were able to become landowners themselves after a relatively short time, thus increasing the need for workers.”

c) From the section “African participation in the slave trade”

“Africans themselves played a role in the slave trade. The Africans that participated in the slave trade sold their captive or prisoners of war to European buyers. Selling captives or prisoners was common practice amongst Africans and Arabs during that era. The prisoners and captives that were sold were usually from neighboring or enemy ethnic groups. These captive slaves were not considered as part of the ethnic group or 'tribe' and kings held no particular loyalty to them. At times, kings and businessmen would sell the criminals in their society to the buyers so that they could no longer commit crimes in that area. Most other slaves were obtained from kidnappings, or through raids that occurred at gunpoint through joint ventures with the Europeans. Some Africans kings refused to sell any of their captives or criminals. King Jaja of Opobo refused to do business with the slavers completely. However, Kimani Nehusi notes that with the rise of a large commercial slave trade, driven by European needs, enslaving your enemy became less a consequence of war, and more and more a reason to go to war.”

d) From the section “Human Toll”

“The transatlantic slave trade resulted in a vast and as yet still unknown loss of life for African captives both in and outside of America. Approximately 1.2 – 2.4 million Africans died during their transport to the New World. More died soon upon their arrival. The amount of life lost in the actual procurement of slaves remains a mystery but may equal or exceed the amount actually enslaved.

“The savage nature of the trade led to the destruction of individuals and cultures. The following figures do not include deaths of enslaved Africans as a result of their actual labor, slave revolts or diseases they caught while living among New World populations.

“A database compiled in the late 1990s put the figure for the transatlantic slave trade at more than 11 million people. For a long time an accepted figure was 15 million, although this has in recent years been revised down. Most historians now agree that at least 12 million slaves left the continent between the 15th and 19th century, but 10 to 20% died on board ships. Thus a figure of 11 million enslaved people transported to the Americas is the nearest demonstrable figure historians can produce. Besides the slaves who died on the Middle Passage itself, even more slaves probably died in the slave raids in Africa. The death toll from four centuries of the Atlantic slave trade is estimated at 10 million. According to William Rubinstein, ‘... of these 10 million estimated dead blacks, possibly 6 million were killed by other blacks in African tribal wars and raiding parties aimed at securing slaves for transport to America.’”

2) “Correcting” a balance of trade problem with opium

(from the Wikipedia page on “Opium Wars” at http://en.wikipedia.org/wiki/Opium_Wars , and from “Seeds of Change: Six Plants that Transformed Mankind” by Henry Hobhouse Counterpoint 2005)

a) From Wikipedia section “British Trade and the Canton System”

“British ships began to appear infrequently around the coasts of China from 1635; without establishing formal relations through the tributary system, British merchants were allowed to trade at the ports of Zhoushan and Xiamen in addition to Guangzhou (Canton)...”

“...Official British trade was conducted through the auspices of the British East India Company, which held a royal charter for trade with the Far East. The EIC gradually came to dominate Sino-European trade from its position in India.

“Low Chinese demand for European goods, and high European demand for Chinese goods, including tea, silk, and porcelain, forced European merchants to purchase these goods with silver, the only commodity the Chinese would accept. In modern economic terms the Chinese were demanding hard currency or specie (gold or silver coinage) as the medium of exchange for the international trade in their goods. From the mid-17th century around 28 million kilograms of silver was received by China, principally from European powers, in exchange for Chinese goods. Britain's problem was further complicated by the fact that it had been using the gold standard from the mid-18th century and therefore had to purchase silver from other European countries, incurring an additional transaction cost.

“In the 18th century, despite ardent protest from the Qing government, British traders began importing opium from India. Because of its strong mass appeal and addictive nature, opium was an effective solution to the British trade problem. An instant consumer market for the drug was secured by the addiction of thousands of Chinese, and the flow of silver was reversed.”

b) From Wikipedia section “Growth of the Opium Trade”

“Considering that importation of opium into China had been virtually banned by Chinese law, the East India Company established an elaborate trading scheme partially relying on legal markets, and partially leveraging illicit ones. British merchants carrying no opium would buy tea in Canton on credit, and would balance their debts by selling opium at auction in Calcutta. From there, the opium would reach the Chinese coast hidden aboard British ships then smuggled into China by native merchants. In 1797 the company further tightened its grip on the opium trade by enforcing direct trade between opium farmers and the British, and ending the role of Bengali purchasing agents.

“British exports of opium to China grew from an estimated 15 tons in 1730 to 75 tons in 1773. The product was shipped in over two thousand chests, each containing 140 pounds (64 kg) of opium.”

c) From “Seeds of Change” (p. 148-150)

“The opium-silver-tea syndrome was a perfect self-enrichment process, yet strangely one not studied by great economists such as Maynard Keynes, who in his youth wrote a book about Indian silver. In order to meet the demand for a mildly addictive drug infusion—tea—which ultimately goes down the drain, the merchants had previously exchanged silver, which requires between 1 and 1000 tons of rock to be crushed to produce each ounce of bullion, which is then worth more than most commodities. Silver becomes short and difficult to obtain. Substitute a crop—opium—which is ultra-addictive and goes up in smoke, and the possession of which is semilegal at the place of demand. Provided that the supply of the drug is carefully controlled so that it never outruns the increase in the number of addicts, you are effectively ‘growing’ silver much more cheaply than you can mine it, and so ‘printing money,’ but in a way which guarantees that the recipients of that money destroy it as soon as they can. Significantly, though the poppy can be grown in almost every province of China, all opium was imported (originally only about 3000 pounds a year), usually bought by Chinese merchants from the Portuguese. The British increased the trade to 3 million pounds or by 1000 times....”

“...The Chinese government... made effort after effort between 1796 and 1830 to bring the trade to an end, but failed. There were too many addicts, too many pushers, too many ‘respectable’ merchants making too much money. In 1838 the Emperor Tao-kwang sent a commissioner, Lin Tze-su, to Canton to stop the contraband trade in opium [see entry e) below]. He issued an order to the Chinese merchants to destroy their stocks and to the British to remove their drugs, but no one paid any attention. The merchants had heard it all before, and had ignored the same kind of orders with impunity in the past.

So Commissioner Lin set fire to the Chinese stocks ashore and to British hulks in the harbor. A year's supply of opium went up in smoke in a vast bonfire instead of in thousands of pipes; the smell was said to have been memorable.

"The British did not object to this auto-da-fe, but continued to smuggle opium ashore at Canton. However, they had misjudged Commissioner Lin, who arrested the British, burned the opium, jailed British sailors, and tortured Chinese merchants. Outraged, the British shelled Canton as a precautionary and punitive measure. Commissioner Lin refused to kowtow. Barbarities were committed on both sides. War, at the leisurely pace of these pretelegraph days, was ultimately declared...."

"...The British took the initiative, secure in the power and pre-eminence of the Royal Navy. The Chinese did not have a chance.... The local Chinese commander, Ki Shen, who had succeeded Commissioner Lin, agreed to cede Hong Kong and pay an indemnity of 6 million Chinese silver dollars, worth about L300,000 then and about \$20 million today.... In the aftermath, Amoy, Ruchow, Ningpo, and Shanghai become 'open ports', while the government had to pay a further indemnity of 21 million silver dollars to the British and to accept European supervision of the Chinese customs...."

"...The opium trade accelerated, imports almost exactly matching the deficit in the balance of payments which the West had with China. Opium represented one-sixth by value of the imports into China during the nineteenth century."

d) From "Seeds of Change" (p. 151-152)

"From iron and steel making to pumps, to mills of all kinds, to canals, irrigation, and other water management, textile machinery, harness, crossbows, concave plows, bridges of all three types, sternpost rudders and watertight compartments in ships, fore-and-aft sailing rigs, magnetism and compasses and gimbals, paper of all sorts, as well as gunpowder and porcelain, China was between four and seventeen centuries ahead of all European nations. We forget this—most people know only about printing, porcelain, and gunpowder. And this materialistic list takes no account of Chinese supremacy in astronomy, biology, medicine, or any other purely intellectual area.

"China, a repository of arts and artifacts, of craftsmanship, design, ingenuity, and philosophy, was raped for a few years' increase in the national income of the white man."

e) From "Commissioner Lin: Letter to Queen Victoria, 1839" [Source: The Internet Modern History Sourcebook-- From: Chinese Repository, Vol. 8 (February 1840), pp. 497-503; reprinted in William H. McNeil and Mitsuko Iriye, eds., Modern Asia and Africa, Readings in World History Vol. 9, (New York: Oxford University Press, 1971), pp. 111-118.] (The text has been modernized by Prof. Arkenberg.)
Source Location: The Internet Modern History Sourcebook, at
<http://www.fordham.edu/halsall/mod/modsbook.html> [Specific web address for the source is
<http://www.fordham.edu/halsall/mod/1839lin2.html>] (Excerpts from paragraphs 3, 5, 6, and 7)

"...of these latter are some, who, by means of introducing opium by stealth, have seduced our Chinese people, and caused every province of the land to overflow with that poison. These then know merely to advantage themselves, they care not about injuring others! This is a principle which heaven's Providence repudiates; and which mankind conjointly look upon with abhorrence! Moreover, the great emperor hearing of it, actually quivered with indignation, and especially dispatched me, the commissioner, to Canton, that in conjunction with the viceroy and lieutenant-governor of the province, means might be taken for its suppression!...."

“...Without meaning to say that the foreigners harbor such destructive intentions in their hearts, we yet positively assert that from their inordinate thirst after gain, they are perfectly careless about the injuries they inflict upon us! And such being the case, we should like to ask what has become of that conscience which heaven has implanted in the breasts of all men?”

“We have heard that in your own country opium is prohibited with the utmost strictness and severity:--- this is a strong proof that you know full well how hurtful it is to mankind. Since then you do not permit it to injure your own country, you ought not to have the injurious drug transferred to another country, and above all others, how much less to the Inner Land!....”

“Let us suppose that foreigners came from another country, and brought opium into England, and seduced the people of your country to smoke it, would not you, the sovereign of the said country, look upon such a procedure with anger, and in your just indignation endeavor to get rid of it?”

3) “The trader with the whiskey... is certain of getting the most furs....”

[From “History of Great American Fortunes” by Gustavus Myers (Vol. 1: Part 1—Conditions in Settlement and Colonial Times; Part 2—The Great Land Fortunes) Chicago Charles H. Kerr and Company 1911 (p. 114-118) (in public domain, and accessible through Google books)]

“Nominally, the United States Government ruled this great sweep of territory and made the laws and professed to execute them. In reality, Astor's company was a law unto itself. That it employed both force and fraud and entirely ignored all laws enacted by Congress, is as clear as daylight from the Government reports of that period.

“The American Fur Company maintained three principal posts or depots of receiving and distribution — one at St. Louis, one at Detroit, the third at Mackinac. In response to an order from Lewis Cass, Secretary of War, to send in complete reports of the fur trade, Joshua Pilcher reported from St. Louis, December 1, 1831:

About this time [1823] the American Fur Company had turned their attention to the Missouri trade, and, as might have been expected, soon put an end to all opposition. Backed, as it was, by any amount of capital, and with skillful agents to conduct its affairs at *every point*, it succeeded by the year 1827, in monopolizing the trade of the Indians on the Missouri, and I have but little doubt will continue to do so for years to come, as it would be rather a hazardous business for small adventurers to rise in opposition to it.⁵

“In that wild country where the Government, at best, had an insufficient force of troops, and where the agents of the company went heavily armed, it was distinctly recognized, and accepted as a fact, that no possible competitor's men, or individual trader, dare intrude. To do it was to invite the severest reprisals, not stopping short of outright murder. The American Fur Company overawed and dominated everything; it defied the Government's representatives and acknowledged no authority superior to itself and no law other than what its own interests demanded. The exploitation that ensued was one of the most deliberate, cruel and appalling that has ever taken place in any country.

THE DEBAUCHING OF INDIANS

“If there was any one serious crime at that time it was the supplying of the Indians with whisky. The Government fully recognized the baneful effects of debauching the Indians, and enacted strict laws with

harsh penalties. Astor's company brazenly violated this law, as well as all other, laws conflicting with its profit interests. It smuggled in prodigious quantities of rum. The trader's ancient trick of getting the Indians drunk and then swindling them of their furs and land was carried on by Astor on an unprecedented scale. To say that Astor knew nothing of what his agents were doing is a palliation not worthy of consideration; he was a man who knew and attended to even the pettiest details of his varied business. Moreover, the liquor was despatched by his orders direct by ship to New Orleans and from thence up the Mississippi to St. Louis and to other frontier points. The horrible effects of this traffic and the consequent spoliation were set forth by a number of Government officers.

"Col. J. Snelling, commanding the garrison at Detroit, sent an indignant protest to James Barbour, Secretary of War, under date of August 23, 1825. "He who has the most whisky, generally carries off the most furs," wrote Col. Snelling, and then continued:

The neighborhood of the trading houses where whisky is sold, presents a disgusting scene of drunkenness, debauchery and misery; it is the fruitful source of all our difficulties, and of nearly all the murders committed in the Indian country. . . . For the accommodation of my family I have taken a house three miles from town, and in passing to and from it, I have daily opportunities of seeing the road strewn with the bodies of men, women and children, in the last stages of brutal intoxication. It is true there are laws in this territory to restrain the sale of whisky, but they are not regarded. . . ⁶

"Col. Snelling added that during that year there had been delivered by contract to an agent of the North American Fur Company, at Mackinac (he meant the American Fur Company which, as we have seen, had one of its principal headquarters at that post and maintained a monopoly there), 3,300 gallons of whisky and 2,500 gallons of high wines. This latter liquor was preferred by the agents, he pointed out, as it could be " increased at pleasure." Col. Snelling went on: "I will venture to add that an inquiry into the manner in which the Indian trade is conducted, especially by the North American Fur Company, is a matter of no small importance to the tranquillity of the borders." ⁷

VIOLATION OF LAWS

"A similar report .was made the next winter by Thomas L. McKenney, Superintendent of Indian Affairs, to the Secretary of War. In a communication dated Feb. 14, 1826, McKenney wrote that "the forbidden and destructive article, whisky, is considered so essential to a lucrative commerce, as not only to still those feelings [of repugnance] but lead the traders to brave the most imminent hazards, and evade, by various methods the threatened penalties of law." The superintendent proceeded to tell of the recent seizure by General Tipton, Indian Agent at Fort Wayne, of an outfit in transit containing a considerable supply of whisky, which was owned in large part, he says, by the American Fur Company. He then continued: "**The trader with the whisky, it must be admitted, is certain of getting the most furs. . . .** There are many honorable and highminded citizens in this trade, but expediency overcomes their objections and reconciles them for the sake of the profits of the trade."⁸

"In stating this fact, McKenney was unwittingly enunciating a profound truth, the force of which mankind is only now beginning to realize, that the pursuit of profit will transform natures inherently capable of much good into sordid, cruel beasts of prey, and accustom them to committing actions so despicable, so inhuman, that they would be terrified were it not that the world is under the sway of the profit system and not merely excuses and condones, but justifies and throws a glamour about, the unutterable degradations and crimes which the profit system calls forth.

“Living in a more advanced time, in an environment adjusted to bring out the best, instead of the worst, Astor and his henchmen might have been men of supreme goodness and gentleness. As it was, they lived at a period when it was considered the highest, most astute and successful form of trade to resort to any means, however base, to secure profits. Let not too much ignominy be cast upon their memories; they were but creatures of their time; and their time was not that " golden age," so foolishly pictured, but a wild, tempestuous, contending struggle in which every man ,was at the throat of his fellowman, and in a vortex which statesmen, college professors, editors, political economists, all praised and sanctified as " progressive civilization."

Footnotes

5. Document No. 90, U. S. Senate, First Session, 22nd Congress, ii: 30.
6. Document No. 58, U. S. Senate Docs. First Session, 19th Congress: 7-8.
7. Ibid. That the debauching of the Indians was long continuing was fully evidenced by the numerous communications sent in by Government representatives. The following is an extract from a letter written on October 6, 1821, by the U. S. Indian Agent at Green Bay to the Superintendent of Indian Affairs (or Indian Trade) : "Mr. Kinzie, son to the sub Indian Agent at Chicago, *and agent for the American Fur Company*, has been detected in selling large quantities of whisky to the Indians at and near Milwaukee of Lake Michigan."— Senate Docs., First Session, Seventeenth Congress, 1821-22, Vol. I, Doc. No. 60:54.
8. Doc. No. 58:10.

C. “The misery with them all...”

[From “The Christmas Carol” by Charles Dickens Little, Brown, and Company (Copyright 1920, by The Atlantic Monthly Press, Inc.) (p. 36-37) (Originally Published in 1843)]

“When they were within two paces of each other, Marley's Ghost held up its hand, warning him to come no nearer. Scrooge stopped.

“Not so much in obedience, as in surprise and fear: for on the raising of the hand, he became sensible of confused noises in the air; incoherent sounds of lamentation and regret; wailings inexpressibly sorrowful and self-accusatory. The spectre, after listening for a moment, joined in the mournful dirge; and floated out upon the bleak, dark night.

“Scrooge followed to the window: desperate in his curiosity. He looked out.

“The air was filled with phantoms, wandering hither and thither in restless haste, and moaning as they went. Every one of them wore chains like Marley's Ghost; some few (they might be guilty governments) were linked together; none were free. Many had been personally known to Scrooge in their lives. He had been quite familiar with one old ghost, in a white waistcoat, with a monstrous iron safe attached to its ankle, who cried piteously at being unable to assist a wretched woman with an infant, whom it saw below, upon a door-step. **The misery with them all was, clearly, that they sought to interfere, for good, in human matters, and had lost the power for ever.**”

D. Another Echo from the Past

1) “We will wait a little while and see what effect your preaching has upon them.”

[From “Masterpieces of Eloquence: Famous Orations by Great World Leaders from Early Greece to the Present Time” by Mayo W. Hazeltine et al. (Editors) “Reply to Mr. Cram” Speech by Red Jacket in Volume 7 (of 25 Volumes) New York P.F. Collier and Son 1905 (p. 3046-3050)]

Introductory Note: “In the summer of 1805 a young missionary named Mr. Cram was sent into the country of the Six Nations by the Evangelical Missionary Society of Massachusetts to found a mission among the Senecas. A council of their chiefs was convoked to hear his propositions. These were made in a short speech to which the Indians listened with earnest attention. After a long consultation among themselves Red Jacket rose and spoke as follows.” (from “Masterpieces of Eloquence...”, p. 3046]

“FRIEND AND BROTHER,—It was the will of the Great Spirit that we should meet together this day. He orders all things and has given us a fine day for our council. He has taken his garment from before the sun and caused it to shine with brightness upon us. Our eyes are opened that we see clearly; our ears are unstopped that we have been able to hear distinctly the words you have spoken. For all these favors we thank the Great Spirit, and him only.

“Brother, this council fire was kindled by you. It was at your request that we came together at this time. We have listened with attention to what you have said. You requested us to speak our minds freely. This gives us great joy; for we now consider that we stand upright before you and can speak what we think. All have heard your voice and all speak to you now as one man. Our minds are agreed.

“Brother, you say you want an answer to your talk before you leave this place. It is right you should have one, as you are a great distance from home and we do not wish to detain you. But we will first look back a little and tell you what our fathers have told us and what we have heard from the white people.

“Brother, listen to what we say. There was a time when our forefathers owned this great island. Their seats extended from the rising to the setting sun. The Great Spirit had made it for the use of Indians. He had created the buffalo, the deer, and other animals for food. He had made the bear and the beaver. Their skins served us for clothing. He had scattered them over the country and taught us how to take them. He had caused the earth to produce corn for bread. All this he had done for his red children because he loved them. If we had some disputes about our hunting ground they were generally settled without the shedding of much blood. But an evil day came upon us. Your forefathers crossed the great water and landed on this island. Their numbers were small. They found friends and not enemies. They told us they had fled from their own country for fear of wicked men and had come here to enjoy their religion. They asked for a small seat. We took pity on them; granted their request, and they sat down amongst us. We gave them corn and meat; they gave us poison in return.

“The white people, brother, had now found our country. Tidings were carried back and more came amongst us. Yet we did not fear them. We took them to be friends. They called us brothers. We believed them and gave them a larger seat. At length their numbers had greatly increased. They wanted more land; they wanted our country. Our eyes were opened and our minds became uneasy.

Wars took place. Indians were hired to fight against Indians, and many of our people were destroyed. They also brought strong liquor amongst us. It was strong and powerful and has slain thousands.

“Brother, our seats were once large and yours were small. You have now become a great people, and we have scarcely a place left to spread our blankets. You have got our country, but are not satisfied; you want to force your religion upon us.

“Brother, continue to listen. You say that you are sent to instruct us how to worship the Great Spirit agreeably to his mind; and, if we do not take hold of the religion which you white people teach we shall be unhappy hereafter. You say that you are right and we are lost. How do we know this to be true? We understand that your religion is written in a book. If it was intended for us, as well as you, why has not the Great Spirit given to us, and not only to us, but why did he not give to our forefathers the knowledge of that book, with the means of understanding it rightly? We only know what you tell us about it. How shall we know when to believe, being so often deceived by the white people?

“Brother, you say there is but one way to worship and serve the Great Spirit. If there is but one religion, why do you white people differ so much about it? Why not all agreed, as you can all read the book?

“Brother, we do not understand these things. We are told that your religion was given to your forefathers and has been handed down from father to son. We also have a religion, which was given to our forefathers and has been handed down to us, their children. We worship in that way. It teaches us to be thankful for all the favors we receive; to love each other and to be united. We never quarrel about religion.

“Brother, the Great Spirit has made us all, but he has made a great difference between his white and red children. He has given us different complexions and different customs. To you he has given the arts. To these he has not opened our eyes. We know these things to be true. Since he has made so great a difference between us in other things, why may we not conclude that he has given us a different religion according to our understanding? The Great Spirit does right. He knows what is best for his children; we are satisfied.

“Brother, we do not wish to destroy your religion or take it from you. We only want to enjoy our own. Brother, you say you have not come to get our land or our money, but to enlighten our minds. I will now tell you that I have been at your meetings and saw you collect money from the meeting. I cannot tell what this money was intended for, but suppose that it was for your minister, and, if we should conform to your way of thinking, perhaps you may want some from us.

“Brother, we are told that you have been preaching to the white people in this place. These people are our neighbors. We are acquainted with them. We will wait a little while and see what effect your preaching has upon them. If we find it does them good, makes them honest, and less disposed to cheat Indians, we will then consider again of what you have said.

“Brother, you have now heard our answer to your talk, and this is all we have to say at present. As we are going to part, we will come and take you by the hand, and hope the Great Spirit will protect you on your journey, and return you safe to your friends.”

III. The United States—and “Implicit Legitimation”

A. “Implicit Legitimation”

From Chapter 25 “Civil Religion and Recent American Religious Ferment” by Thomas Robbins and Dick Anthony in “In Gods We Trust: New Patterns of Religious Pluralism in America” by Thomas Robbins and Dick Anthony, Editors Transaction Publishers 1990 (many passages accessible through Google Books)

“By mid-nineteenth century, according to Bellah, the biblical covenant ethos began to be seriously threatened by utilitarian individualism, a new ethos that assumed that the pursuit of private materialistic goals by individual citizens would somehow result in a collective public welfare and civic virtue. Utilitarian individualism became the legitimation for burgeoning American capitalism, since it relativized the ends, or goals, of human action and stressed the rationalization of means, or technical reason. This ethos continues its hold over American culture, despite periodic revolts against technological reason such as the counterculture of the 1960’s.” (p. 477)

“It is arguable that Bellah poses too sharp an antithesis between Puritan biblical absolutism and utilitarian individualism. The legitimation of American capitalism has been tied to a synthesis of both... This synthesis emerged after the Civil War, and was embodied in a culturally dominant ethos which we have termed ‘implicit legitimation’. The pursuit of selfish goals in the material realm was viewed as conducive to public good so long as egoistic materialism takes places within a framework of moral absolutism in the private realm. Put simply, so long as everyone upholds a limited set of negative moral absolutes—for example, not to murder, steal, fornicate ,and drink—each person may pursue selfish materialistic goals and confidently expect that public welfare and civic virtue will arise from such individual egoism. Within an overall framework of moral absolutism, the ‘invisible hand’ will harmonize private egoism in the economic realm. ‘Within this moral system, so long as participants in entrepreneurial capitalism obeyed certain narrowly conceived negative injunctions, they received moral sanction for engaging in economic activities that resulted in social inequality’.” (p. 477-78)

“Essential to this synthesis of moral absolutism and utilitarianism was the premise of individual responsibility: individuals were presumed to possess a capacity to choose whether or not to be virtuous, and on that basis were held responsible for their behavior. Virtuous individuals could anticipate success in materials endeavors, while those who did not succeed were considered to be morally deficient.... Competitive individualism was thus given a moral aura.” (p. 478)

“Finally, the moral dimension of this civil religion ethos entailed a sanctification of American society, its laissez-faire economic processes, its democratic political processes, and its military and international might. The United States was viewed as a country in which equal opportunity—hence free will and the possibility of virtue—were preserved by the nature of our social processes. Moreover, since success was the reward of virtue, American might and power reflected the virtue of American institutions, and ultimately the intervention of Providence. Americans were God’s chosen people contending with evil adversaries.” (p. 478)

“...the development of a hedonistic, permissive culture has challenged moral absolutism in the private expressive realm. Indeed, in this connection, an inherent partial contradiction involving the privatized moralism and utilitarianism in business and commercialism may have been exposed....” (p. 479)

“We have argued that the present climate of moral ambiguity and the consequent polarization of monistic and dualistic worldviews are related to the erosion of a dominant American political-moral ideology or civil religion that we call implicit legitimation. This meaning system combined three key elements into a consistent worldview: 1) stringent moral absolutism reflecting both the Puritan covenantal tradition and subsequent evangelical awakenings 2) a fervent belief in laissez-fair and competitive individualism in the economic realm and 3) messianic conceptions of America as an instrument of Divine Providence and an exemplary utopia. This ideology was synthesized from the Puritan tradition and utilitarian individualism.... The dominant civil religion thus combined theistic moral fervor with legitimation of entrepreneurial capitalism; it was America’s modernizing ideology.” (p. 497)

“The moral system of implicit legitimation of American capitalism proved to be unstable.... The American economy became increasingly dependent upon a mass-consumption ethic that promised happiness through limitless material acquisition. But this vision contravened protestant ethic ascetic norms.” (p. 479)

“It is significant, for example, that John Adams, during his first year as our first vice-president under the new liberal constitutional regime, said ‘We have no government armed with power capable of contending with human passions unbridled by morality and religion. Our constitution was made only for a moral and a religious people. It is wholly inadequate to the government of any other’. And Washington in his Farewell Address wrote: ‘Of all the suppositions and habits which lead to political prosperity Religion and morality are indispensable supports. In vain would that man claim the tribute of Patriotism, who should labour to subvert these great pillars of human happiness, these firmest props of the duties of Men and citizens.’” (Robert N. Bellah, in “Religion and Legitimation in the American Public” p. 422; in above referenced source)

B. “Economics is one thing; morality is, quite clearly, another.”

The following passages are excerpts from the article “Moral Disagreement, Moral Education, Common Ground” by Warren A. Nord in “Making Good Citizens: Education and Civil Society” Edited by Diane Ravitch and Joseph P. Viteritti Yale University Press 2003 (excerpts below accessible at Google Books) (confirmed April 3,2011)

“It is a little surprising that there has been no controversy over economics education, because economics is, in our culture, deeply controversial, often on moral and religious grounds..... A part of the problem is what the texts and the new national standards leave out. They say little about poverty, especially as a moral or spiritual problem. They are usually silent about the moral relation of the First and Third Worlds. They typically ignore the effects of economics and technology on the environment. They are oblivious to the moral and spiritual problems of consumer culture. They ask no questions about dehumanizing work. They emphasize the important of the profit motive and competition, but say nothing about the possibility of excess profits or the possible costs of competition....” (p. 159)

“(Furthermore)... the economics world (is) defined in terms of competition of self-interested individuals with unlimited wants for scarce resources.... (and) decisions should be made according to cost-benefit analyses that maximize whatever it is that we value and leave no room in the equation for duties, the sacred, or those dimensions of life that aren’t quantifiable. Economics is one thing; morality is, quite clearly, another.” (p. 160)

“The texts and the standards approach economics not as a subject, open to various moral, political, and religious interpretations; but as a discipline, as a ‘hard’ social science. In the process, they convey uncritically to students a particular way of thinking about values, human nature, and social institutions...” (p. 161)

C. “... a sort of tolerance within the culture for this sort of irregular kind of self-enrichment....”

The following interview excerpt is from the transcript of a segment on the November 26, 2008 Morning Edition Show on National Public Radio. The title of the segment is “Joseph O’Neill, The New Immigrant Experience”, and in this segment NPR “Morning Edition” Host Steve Inskeep is interviewing Joseph O’Neill on the subject of his new book “Netherland”....

November 26, 2008 from “Morning Edition”

“STEVE INSKEEP, host: We're talking this Thanksgiving week about what it means to become American....

.... Steve Inskeep: You began writing about this guy from the West Indies.

Mr. O’NEILL: Yeah.

INSKEEP: Chuck Ramkissoon?

Mr. O’NEILL: Correct, yeah.

INSKEEP: Is it fair to say that Chuck is trying to redefine what it means to be American?

Mr. O’NEILL: Well, I think Chuck, as a Trinidad immigrant, is invoking a pre-existing tradition of what it means to be American. He’s trying to plug into the rags-to-riches narrative, which is part of the legend of America and of New York especially. And so I don’t think he’s trying to reinvent the wheel, but merely trying to find himself a place on the wheel....

.... INSKEEP: You mentioned that at one point that this character you write about, this West Indian immigrant, is involved in the classic American story, rags to riches.

Mr. O’NEILL: Yeah.

INSKEEP: Of course, the classic American version is a very specific kind of rags to riches. It’s not that somebody suddenly makes you a prince. It’s that you strive and dig and find some scheme and do whatever you have to do to make a little bit of money. And that’s what...

Mr. O’NEILL: Yeah.

INSKEEP: And that’s what he’s doing. He’s got different businesses. He’s got different sidelines.

Mr. O’NEILL: Yeah.

INSKEEP: And when I read about that, I think about, well, so many American novels that - you go back to Mark Twain who wrote about a kind of striver and schemer in the Gilded Age and was kind of a striver and a schemer himself. He always had some idea to strike it rich. Were you thinking about - “The Great Gatsby” is another - I mean, were you thinking about so many American characters that had come before Chuck Ramkissoon when you presented this West Indian immigrant to a reader like me?

Mr. O'NEILL: Well, I think so. But I think, more specifically, Chuck Ramkissoon himself, the character, is thinking about it. He lives in the United States for a number of years. And he becomes aware of this very specific kind of narrative in American life which essentially authorizes people to do whatever it takes to climb up by their boot straps and to make something of themselves, even if that means cutting corners from time to time - which is what Chuck ends up doing - and even if it means being a bit of a rogue, because I think there's a sort of tolerance within the culture for this sort of irregular kind of self enrichment, because it's not a perfect society, the United States. It doesn't provide everyone with the same start in life. And therefore if someone wants to do better for themselves, people kind of turn a blind eye and in fact have a smile, even if they've broken a few rules along the way. And this guy, Chuck Ramkissoon, is aware of that and tries to plug into it.

INSKEEP: Well, Joseph O'Neill, I've enjoyed speaking with you.

Mr. O'NEILL: Thank you very much.

INSKEEP: And happy Thanksgiving.

Mr. O'NEILL: Happy Thanksgiving to you as well.

INSKEEP: You can read an excerpt from Joseph O'Neill's novel "Netherland" at npr.org. Our conversations on becoming American continue into the holiday. Tomorrow our three immigrant writers describe Thanksgiving as they have experienced it. This is NPR News."

D. Religion—the “wallpaper of the social system”

From “In Gods We Trust: New Patterns of Religious Pluralism in America” by Thomas Robbins and Dick Anthony, Editors Transaction Publishers 1990 (many passages accessible at Google Books) (see Introduction, p. 9)

“Beckford does not really claim that the influence of the secularization model has entailed an outright denial of the idea that religion can exert influence on other social institutions and on the total society. Rather, Beckford complains that religion has too frequently been seen influencing the total society only on a very general level and primarily through processes such as socialization and individual character formation. In his essay reprinted in the present volume, Beckford notes that sociologists have too often tended to see religion as ‘the wallpaper of the social system’; that is, religion is always there in the background, but it has not been viewed, at least in the short term, as a contender for power, a contesteer of social policies, a mobilize of protest, a promoter of change and innovation, or an interpreter not only of personal but of social and international stressful situations.”

E. “...the dangers and consequences of America’s growing petroleum dependency”

From review (dated July 19, 2004) by Publisher’s Weekly (Reed Business Information) of “Blood and Oil: the dangers and consequences of America’s growing petroleum dependency” by Michael T. Klare Metropolitan Books August, 2004 (at <http://www.publishersweekly.com/978-0-8050-7313-3>) (confirmed August 30, 2011)

“The world's rapidly growing economy is dependent on oil, the supply is running out and the U.S. and other great powers are engaged in an escalating game of brinkmanship to secure its continued free flow. Such is the premise of Klare's powerful and brilliant new book (following Resource Wars). The U.S.-with

less than 5% of the world's total population-consumes about 25% of the world's total supply of oil, he argues. With no meaningful conservation being attempted, Klare sees the nation's energy behavior dominated by four key trends: 'an increasing need for imported oil; a pronounced shift toward unstable and unfriendly suppliers in dangerous parts of the world; a greater risk of anti-American or civil violence; and increased competition for what will likely be a diminishing supply pool.' In clear, lucid prose, Klare lays out a disheartening and damning indictment of U.S. foreign policy. From the waning days of WWII, when Franklin Roosevelt gave legitimacy to the autocratic Saudi royalty, to the current conflict in Iraq, Klare painstakingly describes a nation controlled by its unquenchable thirst for oil. Rather than setting out a strategy for energy independence, he finds a roadmap for further U.S. dependence on imported oil, more exposure for the U.S. military overseas and, as a result, less safety for Americans at home and abroad. While Klare offers some positive suggestions for solving the problem, in tone and detail this work sounds a dire warning about the future of the world."

F. "...significant, largely unaccounted for, and unchecked social and environmental externalities."

"To reverse such misallocation requires better public policies, including pricing and regulatory measures, to change the perverse incentives that drive this capital misallocation and ignore social and environmental externalities."

[From "Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication" United Nations Environment Programme 2011; from the Introduction, p. 14-15 (full report accessible at <http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/Default.aspx>) (press release dated November 16, 2011, accessible at http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER_press_16nov11_en.pdf)

"The causes of these crises vary, but at a fundamental level they all share a common feature: the gross misallocation of capital. During the last two decades, much capital was poured into property, fossil fuels and structured financial assets with embedded derivatives. However, relatively little in comparison was invested in renewable energy, energy efficiency, public transportation, sustainable agriculture, ecosystem and biodiversity protection, and land and water conservation.

"Most economic development and growth strategies encouraged rapid accumulation of physical, financial and human capital, but at the expense of excessive depletion and degradation of natural capital, which includes the endowment of natural resources and ecosystems. By depleting the world's stock of natural wealth – often irreversibly – this pattern of development and growth has had detrimental impacts on the wellbeing of current generations and presents tremendous risks and challenges for the future. The recent multiple crises are symptomatic of this pattern.

"Existing policies and market incentives have contributed to this problem of capital misallocation because they allow businesses to run up significant, largely unaccounted for, and unchecked social and environmental externalities. To reverse such misallocation requires better public policies, including pricing and regulatory measures, to change the perverse incentives that drive this capital misallocation and ignore social and environmental externalities."

IV. Cultures of Violence, Greed, Corruption, and Overindulgence

[Note: This section is a condensed version of an upcoming draft for Section #2 of the “IPCR Critical Challenges Assessment 2011”. Additional Note: A significant number of entries in this section are also included in the IPCR document “Recalibrating Our Moral Compasses” (accessible at http://www.ipcri.net/Recalibrating_Our_Moral_Compasses.pdf)]

A. Military Expenditures

1) From the “SIPRI Yearbook 2010” section of Wikipedia’s “List of countries by military expenditures” (at http://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures) (confirmed April 3,2011)

Worldwide Military Expenditures (2009)-- \$1,531 billion (Total Expenditures are in U.S. Dollars)

2) From the “SIPRI Military Expenditure Database” section of Wikipedia’s “List of countries by military expenditures” (at http://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures) (confirmed April 3, 2011)

U.S. Military Expenditures (2009)—Over \$663 billion

3) From review (dated July 19, 2004) by Publisher’s Weekly (Reed Business Information) of “Blood and Oil: the dangers and consequences of America’s growing petroleum dependency” by Michael T. Klare Metropolitan Books August, 2004 (at <http://www.publishersweekly.com/978-0-8050-7313-3>) (confirmed August 30, 2011)

(also in Section III; repeated here for emphasis)

“The world's rapidly growing economy is dependent on oil, the supply is running out and the U.S. and other great powers are engaged in an escalating game of brinkmanship to secure its continued free flow. Such is the premise of Klare's powerful and brilliant new book (following Resource Wars). The U.S.-with less than 5% of the world's total population-consumes about 25% of the world's total supply of oil, he argues. With no meaningful conservation being attempted, Klare sees the nation's energy behavior dominated by four key trends: ‘an increasing need for imported oil; a pronounced shift toward unstable and unfriendly suppliers in dangerous parts of the world; a greater risk of anti-American or civil violence; and increased competition for what will likely be a diminishing supply pool.’ In clear, lucid prose, Klare lays out a disheartening and damning indictment of U.S. foreign policy. From the waning days of WWII, when Franklin Roosevelt gave legitimacy to the autocratic Saudi royalty, to the current conflict in Iraq, Klare painstakingly describes a nation controlled by its unquenchable thirst for oil. Rather than setting out a strategy for energy independence, he finds a roadmap for further U.S. dependence on imported oil, more exposure for the U.S. military overseas and, as a result, less safety for Americans at home and abroad. While Klare offers some positive suggestions for solving the problem, in tone and detail this work sounds a dire warning about the future of the world.”

4) From report “Armed Forces, Capabilities and Technologies in the 21st Century Environmental Dimensions of Security: Sub-study 1 Peak Oil--Security Policy Implications of Scarce Resources” (112 pages) The study was produced by the Future Analysis department of the Bundeswehr Transformation Center, a branch of the German military (Lead Author: Lt. Col. Thomas Will) Bundeswehr Transformation Centre Future Analysis Branch Prötzelner Chaussee 25 15344 Strausberg November 2010 www.zentrum-transformation.bundeswehr.de ztransfbwdezzukunftsanalyse@bundeswehr.org [Special Note: “The original German document (125 pgs) was approved for public release last November, yet neither the complete German version nor the partial English translation has attracted interest from mainstream media.” From article “Complete English translation of German military analysis of peak oil now available” by Rick Munroe Published Aug 30 2011 by Energy Bulletin (see <http://energybulletin.net/stories/2011-08-30/completeenglish-translation-german-military-analysis-peak-oil-now-available>) (confirmed August 31, 2011)]

- Access to complete English translation pdf file provided in “Complete English translation...” article by Rick Munroe at Energy Bulletin website (at <http://energybulletin.net/stories/2011-08-30/completeenglish-translation-german-military-analysis-peak-oil-now-available>)

a) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.1 “Oil as an Important Factor Shaping International Relations”; subtitle “Special Role of Threshold Countries Depending on Imports” (p. 29, paragraph 3)

“The primacy of securing energy due to peak oil could thus lead to neglect or at least new selectivity with regard to demands for the protection of human rights, good governance or democratic and ecological development in the relations between countries dependent on oil imports and producing countries. It can be assumed that the relations between Western industrialised countries and countries that lack resources will remain unaffected by this ‘moral decline’. Hence, in the service of energy security, pronounced double standards in foreign policy could be the result of this development.”

b) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.1 “Oil as an Important Factor Shaping International Relations”; subtitle “Reshaping Supply Relationships After Global Peak Oil”; additional subtitle “Conditioned Supply Relationships and Package Deals” (p. 30, paragraph 1-3, and 5)

“In view of a decrease in production and the producing countries’ need to satisfy their own oil demands, it can be assumed that supply relationships would become increasingly selective, and thus attractive return services beyond net sales revenues would become more important as a criterion for selecting privileged recipient countries. Owing to this, the global oil market could adhere to free market rules only to a limited extent. Just as before the oil crises in the 1970s, bilateral conditioned supply relationships and privileged partnerships would once again come to the fore.”

“Buyers with the ability to submit appropriate offers or to meet the particular conditions would be in a position to undermine global market mechanisms and negotiate their own pricing and supply agreements. This situation could lead to an increase in package deals.”

“In general, goods and services that – similar to oil – strengthen the economic power of the producer countries or its possibilities to exert political influence would be particularly suitable as compensations

for such package deals. Producer countries could progressively demand material and/or political tradeoffs that might aid them in closing their technology gap, in overcoming their economic stagnation or, in many cases, in emerging from their political isolation. In international negotiations, for example, importing countries that are represented in relevant bodies like the UN Security Council could act as an advocate for the interests of countries that are rich in resources and influence or block relevant decision processes in their favour. Even though such ‘deals’ can be observed already, this trend might grow considerably. With regard to important oil-producing countries such as Sudan and Iran, China, for example, is already under suspicion of preventing sanctions and thus protecting the regimes in Khartoum and Tehran by its voting behaviour in the UN Security Council.”....

....“Importing countries could face another challenge if ideological aspects and differences also played an increasingly important role in the choice of selective oil supplies and privileged partnerships.”

B. Small Arms Proliferation

1) From the “Publications” section of the Small Arms Survey website, in the subsection “Small Arms Survey 2003”, (in “About the Small Arms Survey 2003, see “Key Findings” box) (at <http://www.smallarmssurvey.org/fileadmin/docs/A-Yearbook/2003/en/Small-Arms-Survey-2003-About-1-Press-Release-EN.pdf>) (Confirmed April 19, 2011)

“There are at least 639 million firearms in the world today, of which 59% are legally held by citizens.”

“At least 1,134 companies in 98 countries worldwide are involved in some aspect of the production of small arms and/or ammunition.”

C. Global Drugs Trade and Global Arms Trade

1) From the “World Report on Violence and Health” (World Health Organization Geneva 2002) in Chapter 9 “The Way Forward: Recommendations for Action” p. 254 (at <http://whqlibdoc.who.int/hq/2002/9241545615.pdf>) (Confirmed April 19, 2011)

“The global drugs trade and the global arms trade are integral to violence in both developing and industrialized countries. Even modest progress on either front will contribute to reducing the amount and degree of violence suffered by millions of people. To date, however—and despite their high profile in the world arena—no solutions seem to be in sight for these problems.”

D. Global Entertainment

1) From article “PricewaterhouseCoopers releases Global Entertainment and Media Outlook 2010-2014” (June 15, 2010), in the “World News Report” section of the EIN website (An EIN News Service for Global Professionals) (see <http://www.einnews.com/pr-news/90509-pricewaterhousecoopers-releases-globalentertainment-and-media-outlook-2010-2014->) (confirmed April 3, 2011)

“PricewaterhouseCoopers' Global Entertainment and Media Outlook: 2010-2014 (Outlook), forecasts that global entertainment and media spending is expected to rise from \$1.3 trillion to \$1.7 trillion by 2014.”

2) All excerpts below are from “International Communications: A Media Literacy Approach” by Art Silverblatt and Nikolai Zlobin M.E. Sharpe July, 2004 (most content accessible at Google Books) (confirmed October 21, 2009)

“Popular programming reflects a level of acceptance and shared values among large numbers of people. People tend to watch programs that meet their approval. If they are truly offended by violent programs, they would not watch them. In that sense, media programming can be regarded as a text that reflects the attitudes, values, behaviors, preoccupations, and myths that define a culture.” (p. 66)

“At the same time, media programming reinforces cultural attitudes, values, behaviors, preoccupations, and myths. Media messages are communicated through the countless hours of media programming that repeat, directly or indirectly, the cultural script.” (p. 68)

“Finally, the media do not merely reflect or reinforce culture, but in fact shape attitudes, values, behavior, preoccupations, and myths.” (p. 68)

“The international market is saturated with American entertainment programming. Hollywood films account for approximately 85% of movie audiences worldwide. Further, American programming makes up approximately 65% of global prime-time TV viewing.” (p. 69)

E. Worldwide and U.S. Advertising Expenditures

1) From article “Worldwide Advertising Spending by Media” (July 22, 2009) at the website “BitBriefs” (Marketing Trends, News, Stats) (see <http://bitbriefs.amplify.com/2009/07/22/worldwide-advertisingspending-by-media/>) (Excerpt: According to the “Global Entertainment and Media Outlook 2009-2013” (PricewaterhouseCoopers) (PwC), worldwide advertising spending will reach \$421 billion in 2009.” (Also included: a Table which breaks down the spending into categories.) (confirmed April 3, 2011)

Worldwide Advertising Expenditures (2009)-- \$421 billion (Total Expenditures are in U.S. Dollars)

2) From an article titled “Worldwide Internet Advertising Spending to Surpass \$106 Billion in 2011”, at the website “Marketing Charts” (at marketingcharts.com) (Excerpt in paragraph 2) (see <http://www.marketingcharts.com/television/worldwide-internet-advertising-spending-to-surpass-106-billion-in-2011-5068/>) (Confirmed April 3, 2011)

“The United States will lead the world in total advertising expenditures and online advertising expenditure with forecasts for 2011 at \$265 billion and \$45 billion.”

3) Commentary on the subject of Advertising

The following passages are excerpts from “People of Plenty: Economic Abundance and the American Character” by David M. Potter (first edition 1954) (p. 176-177)(partially accessible at Google Books)

“... we must realize at once that we are dealing with... one of the very limited group of institutions which... guide the life of the individual by conceiving of him in a distinctive way and encouraging him to conform as far as possible to the concept. For instance, the church, representing the force of religion, conceives of man as an immortal soul; our schools and colleges, representing the force of learning, conceive of him as a being whose behavior is guided by reason; our business and industry, representing the force of the economic free-enterprise system, conceive of him as a productive agent who can create goods or render services that are useful to mankind. Advertising, of course, is committed to none of these views and entertains them only incidentally. Representing as it does the force of a vast productive mechanism seeking outlets for an overwhelming flow of goods, it conceives of man as a consumer. Each institution is distinctive, again, in the qualities to which it appeals and in the character of the reward which it offers: the church appeals to the spirit of conscience of the individual and offers the rewards of salvation and peace of mind; learning appeals to the reason of man and offers the hope of a perfected society from which evils have been eliminated by the application of wisdom; free enterprise appeals to the energies and the capacities of man and offers the rewards of property, personal attainment, and satisfaction in the job. Advertising appeals primarily to the desires, the wants—cultivated or natural—or the individual, and it sometimes offers as its goal a power to command the envy of others by outstripping them in the consumption of goods and services.

“To pursue this parallel a step further, one may add that the traditional institutions have tried to improve man and to develop in him qualities of social value, though, of course, these values have not always been broadly conceived. The church has sought to inculcate virtue and consideration of others—the golden rule; the schools have made it their business to stimulate ability and to impart skills; the free enterprise system has constantly stressed the importance of hard work and the sinfulness of unproductive occupations. And at least two of these institutions, the church and the school, have been very self-conscious about their roles as guardians of the social values and have conducted themselves with a considerable degree of social responsibility.

“In contrast with these, advertising has in its dynamics no motivation to seek the improvement of the individual or to impart qualities of social usefulness, unless conformity to material values may be so characterized. And though it wields an immense social influence, comparable to the influence of religion and learning, it has no social goals and no social responsibility for what it does with its influence, so long as it refrains from palpable violations of truth and decency. It is this lack of institutional responsibility, this lack of inherent social purpose to balance social power, which, I would argue, is a basic cause for concern about the role of advertising. Occasional deceptions, breaches of taste, and deviations from sound ethical conduct are in a sense superficial and are not necessarily intrinsic. Equally, high-minded types of advertising which we see more regularly than we sometimes realize are also extraneous to an analysis of the basic nature of advertising. What is basic is that advertising, as such, with all its vast power to influence values and conduct, cannot ever lose sight of the fact that it ultimately regards man as a consumer and defines its own mission as one of stimulating him to consume or to desire to consume.

“If one can justifiably say that advertising has joined the charmed circle of institutions which fix the

values and standards of society and that it has done this without being linked to any of the socially defined objectives which usually guide such institutions in the use of their power, then it becomes necessary to consider with special care the extent and nature of its influence—how far it extends and in what way it makes itself felt.”

F. Alcohol, Gambling, Tobacco (United States); Lottery Revenue (United States)

1) From article “Economics of Alcohol and Tobacco—U.S. Alcohol Sales and Consumption” at the libraryindex.com website (see <http://www.libraryindex.com/pages/2127/Economics-Alcohol-Tobacco-U-S-ALCOHOL-SALES-CONSUMPTION.html>) (Excerpt: “According to the Economic Research Service of the United States Department of Agriculture, retail sales of alcoholic beverages totaled approximately \$115.9 billion in 2003, up from \$102.4 billion in 2000.”) (confirmed April 3, 2011)

United States retail sales of alcoholic beverages (2003)-- \$115.9 billion

a) From the “Back to Penn State” episode on “This American Life” at NPR (aired November 18, 2011) (at <http://www.thisamericanlife.org/radio-archives/episode/451/back-to-penn-state>)

Introduction: “In the wake of the recent news, listeners have contacted us and tweeted about the show we did two years ago at Penn State, [#1 Party School](#). We listen again to some of those stories, with new interviews recorded this past week, as Penn State fans and loyalists try to make sense of the actions of Coach Joe Paterno and school officials.”

b) From the “Back to Penn State” episode on “This American Life” at NPR (aired November 18, 2011) [Special Note: The following excerpts are from the transcript of the “Back to Penn State” episode. That transcript is accessible at <http://www.thisamericanlife.org/radio-archives/episode/451/transcript>)

i) “It’s just part of the culture”

Sarah K.

I talked to a bunch of alums at a tailgate about what would happen if they weren't allowed to drink it all.

Mark J.

I think there would be a revolt. I think there would be a huge, huge pushback from the alumni that donate a lot of money to school to say that you can't have alcohol to tailgate.

Sarah K.

That's Mark J., class of 1977.

Mark J.

It's just part of the culture. I mean, that's why this school sells 110,000 tickets for every-- just, it's a part of it. It's just part of that tradition.

Ira G.

Usually pounding down drinks at eight in the morning can be kind of sad. But the main thing about this kind of drinking, where it's tied in with tradition, and football, and family, and overwhelming sense of

school spirit, is that it feels incredibly wholesome. The whole campus feels like a Chevy commercial. It's welcoming people. It's friendly. It's hard to resist.

Megan K.

You could go to any tailgate here, any Penn State tailgate, and you are just welcome.

ii) "...75% of the school drinks."

Ira G.

Penn State's administration does a pretty thorough job surveying students to track how much they're drinking. Surveys show that every Friday and every Saturday night, 75% of the school drinks. That's over 30,000 people, an average of four and half drinks per person. And the students drink those drinks in about three hours, average. To put those numbers in perspective, binge drinking, or as it's been rebranded lately, high-risk or dangerous drinking, is defined as four drinks for a woman or five drinks for a man consumed in just two hours.

[STUDENTS SINGING]

And to get down into the details of Penn State's numbers, it works out to over half the students regularly binge drinking, which is just a little bit above the national average for college students.

iii) "...a downside to all this."

Ira G.

Yes, there's a downside to all this. In the surveys of students done by the school, a fourth of Penn State students say that drinking has caused them to miss class or get behind on the schoolwork. 15% say that they've been pushed, hit, or assaulted. 7% say that drinking led to what the survey called-- this is their euphemism-- quote, "an unwanted sexual experience." There actually isn't data at Penn State linking drinking and date rape. 6% said that they'd gotten into what you would call a real physical fight. And then there are crimes that you never hear of unless you live in a place like State College.

iv) "...every year, Penn State ranks very high."

Ira G.

The Princeton Review chooses the number one party school from online student surveys. 120,000 students at 371 schools around the country answered these questions. How widely used are beer, alcohol, marijuana, and other drugs or your school? How big is frat life at your school? And finally, how many hours do you study each day? The students aren't randomly selected, so it's not, strictly speaking, a scientific survey. But every year, Penn State ranks very high. In the last five years, it's been the number three party school twice. It's been the number seven party school in the country, it's been the number nine party school in the country, and of course, number one party school in 2009 the year we were there.

v) "...can't or won't do anything more draconian about the drinking problem here...."

Sarah K.

What you hear all the time around here, off the record, from local residents, from faculty, from other administrators, is that Spanier really can't or won't do anything more draconian about the drinking problem here-- make fraternities dry, say, or curb tailgating-- because politically, he simply cannot risk alienating those sacred cows Simms is talking about. Especially alumni and athletics, meaning football, which brings in enormous money.

Tens of thousands of alumni come to football games, rent skyboxes. The only places in the stadium where you can drink, by the way. They arrange their lives around the season. It's a big part of why they give money to the school. Last year, alums and other donors give \$182 million.

I asked Spanier if there was something he needed to be careful about here, in terms of the connection between football and donors and booze.

Graham S.

No. I don't buy that at all. That's just speculation that you hear from people, like, oh, that must be part of the issue. They would never go after the alumni. The fact is, what happens with six or seven home games is not the heart of this issue here. We're talking about the weekend in, weekend out, every day of the week throughout the year kind of issue.

Sarah K.

When this comes up, it's sort of like, someone will say, well, why don't they just make tailgating dry? No alcohol on University property? Is that kind of thing ever even brought up as like a, we just want to signal a culture change, we're just going to make a big bold move and say, we're going to become a different kind of school now. Is that ever, like, on the table?

Graham S.

No, I don't think so. I can't envision telling alumni of legal age that they can't drink on a football weekend, and seeing that that's going to change the problem of alcohol consumption among underage students on college campuses. I don't think those two things are really tied together.

vi) "...a profit of \$53 million...."

Ira G.

How much money does Penn State football bring in?

Frank F.

Well, I believe in 2010, they brought in, I think it was \$72 million. They had costs of, I believe, \$19 million. So that's a profit of \$53 million, which is a profit margin that most Fortune 500 companies would be envious of.

vii) "...the two Penn State merchandise sections of the store."

Ray takes me into the two Penn State merchandise sections of the store. It's a full sensory experience. That's a CD of the school's band in the background. There are seven different kinds of car air fresheners with the Penn State logo, pacifiers, a steering wheel cover.

Nancy U.

Ray, are you ever amazed at something you never knew that Penn State logo could be put on it? I just saw a remote control, a TV remote—

Ray A.

You put it on here and it'll sell. You put it on your microphone, it'll sell.

Nancy U.

In the almost 50 years Ray has been working at McLanahan's-- he bought it from Bob McLanahan 40 years ago-- Ray has seen the Penn State merchandise in his store go from almost an afterthought, maybe one rack of sweatshirts, to being a third of his business. The only downside is—

Ray A.

If Penn State would have a losing season, sales would drop dramatically.

Nancy U.

Oh, is that true?

Ray A.

Oh my gosh. You can't imagine.

Nancy U.

Ray says if Penn State loses one football game, sales of Penn State merch at McLanahan's go down 20%. Not for a day, for a week, and sometimes even longer, until the next winning game.

2) From article “Gaming Revenue: Current Year Data” at the website of the American Gaming Association (see http://www.americangaming.org/Industry/factsheets/statistics_detail.cfv?id=7) (Note: The article includes a chart which identifies 8 different categories, and the 2007 gross revenues for each category— Source: Christianson Capital Advisors, LLC) [Note: This link is no longer available, however the information it provided is still active at the Wikipedia page titled “Gambling in the United States” (Excerpt: “Gambling is legally restricted in the United States, but its availability and participation is increasing. In 2007, gaming activities generated gross revenues (the difference between the total amounts wagered minus the funds or ‘winnings’ returned to the players) of \$92.27 billion in the United States.” (confirmed April 3, 2011)

United States Casino Gambling Revenue (2007)-- \$92.27 billion

3) From the website “Mahalo Answers”—an answer provided to the question “How much money do Americans spend on cigarettes each year?” (see <http://www.mahalo.com/answers/how-much-money-do-americans-spend-on-cigarettes-each-year>) (link no longer active) (Answer included: “Total United States expenditures on tobacco were estimated to be \$88.8 billion in 2005, of which \$82 billion were spent on cigarettes”, and the cited source for this statistic was—“Capehart, Tom. Expenditures for Tobacco Products and Disposable Personal Income, 1989–2005. Compiled from reports of the

Department of Commerce, Bureau of Economic Analysis. 2007 Mar 13 Available from <http://www.ers.usda.gov/Briefing/Archive/Tobacco/> “) (details of link unconfirmed)

United States expenditures on tobacco (2005)--\$88.8 billion

4) From article “Top Ten Lottery Revenue Producing U.S. States” (27 October, 2008) in the “Gaming News” section of the website “Casino City Times” (see <http://www.casinocitytimes.com/news/article/top-10-lotteryrevenue-producing-u-s-states-175639?ContentId=175639&issue=10-27-08>) (Excerpt from article: “Forty three states across the U.S. operated some sort of lottery in 2007, generating an astounding \$21 billion, according to the fifth edition of Casino City's North American Gaming Almanac, the mother of all gaming almanacs.”) (confirmed April 3, 2011)

Lottery Revenues, United States (2007) 43 states—Total Revenue: \$21 billion

G. Maintaining Prison System, United States

1) From the introduction to Wikipedia’s “Incarceration in the United States” (see http://en.wikipedia.org/wiki/Incarceration_in_the_United_States) (confirmed April 3, 2011)

“U.S. has the highest documented incarceration rate in the world.”

2) From report “Confronting Confinement” by Commission on Safety and Abuse in America’s Prisons (released June 8, 2006) (see homepage of Commission, at <http://www.prisoncommission.org/>) (Excerpt from homepage: “On any given day, 2.2 million people are incarcerated in the United States, and over the course of a year, many millions spend time in prison or jail. 750,000 men and women work in correctional facilities. The annual cost: more than 60 billion dollars. Yet within three years, 67 percent of former prisoners will be rearrested and 52 percent will be re-incarcerated.” (confirmed April 3, 2011)

“On any given day, 2.2 million people are incarcerated in the United States.... 750,000 men and women work in correctional facilities.”

The annual cost: \$60 billion

H. Professional Sports, U.S. (Annual Revenues)

1) From a table titled “Sports Industry Overview”, at the website of Plunkett Research, Ltd. (Industry Statistics, Trends, and In-Depth Analysis of Top Companies) (see <http://www.plunkettresearch.com/sports%20recreation%20leisure%20market%20research/industry%20statistics>) (confirmed April 3, 2011)

National Football League (season ending 2010)—\$7.8 billion

Major League Baseball (season ending 2010)—\$6.8 billion

National Basketball League (season ending 2010)—\$4.0 billion

I. “Levels of Overweight on the Rise”

1) From a “Vital Signs Online” trend report titled “Levels of Overweight on the Rise” authored by Richard H. Weil, and posted June 14, 2011 at the Worldwatch Institute website. Excerpts below are from commentary on the report at <http://www.worldwatch.org/nearly-two-billion-people-worldwide-now-overweight-0>

“Washington, D.C.—More than 1.9 billion people worldwide were overweight in 2010, a 25 percent increase since 2002, a new Worldwatch analysis shows.

“A survey of statistics in 177 countries shows 38 percent of adults – those 15 years or older – are now overweight. The trend is strongly correlated to rising income and to an increase in preventable health problems, writes Richard H. Weil in the latest *Vital Signs Online* release from the Worldwatch Institute.

“The trend over the last decade toward heavier populations cuts across regions and income levels. In India, 19 percent of adults are overweight, up from 14 percent in 2002. In Mexico, the figure has risen by 8 percentage points since 2002, while Brazil’s is up by 7 points and the rate in the U.K. is up by 5 points. East Asia has seen a 4 point increase over the period. The United States leads all industrialized countries with 78.6 percent of the adult population overweight, although Micronesia and Polynesia top all countries. There, nearly 88 percent of the over-15 population is overweight.

“Overweight” is defined as people with a body mass index (BMI) of 25 or greater. A person with a BMI of 30 or above is usually labeled “obese,” but here the term overweight covers overweight and obese populations combined.

“That analysis shows that some 75 percent of adults in the 10 richest countries are overweight, while in the 10 poorest, only 18 percent are. On a regional level, the correlation between income and being overweight holds reasonably well. Europe generally has elevated levels, for example, while low-income sub-Saharan Africa averages lower BMI levels. At a national level, however, the situation is more complex. A comparison of percentages of people overweight in all countries and their GDPs reveals a positive but weak correlation, with cultural, societal, and possibly genetic factors playing heavily into the mix.”

2) From the section “Global Strategy on Diet, Physical Activity, and Health” at the World Health Organization website (see <http://www.who.int/dietphysicalactivity/publications/facts/obesity/en/>)

Obesity and overweight

“Facts

- Globally, there are more than 1 billion overweight adults, at least 300 million of them obese.
- Obesity and overweight pose a major risk for chronic diseases, including type 2 diabetes, cardiovascular disease, hypertension and stroke, and certain forms of cancer.
- The key causes are increased consumption of energy-dense foods high in saturated fats and sugars, and reduced physical activity.

“Obesity has reached epidemic proportions globally, with more than 1 billion adults overweight - at least 300 million of them clinically obese - and is a major contributor to the global burden of chronic disease and disability. Often coexisting in developing countries with under-nutrition, obesity is a complex condition, with serious social and psychological dimensions, affecting virtually all ages and socioeconomic groups.

“Increased consumption of more energy-dense, nutrient-poor foods with high levels of sugar and saturated fats, combined with reduced physical activity, have led to obesity rates that have risen three-fold or more since 1980 in some areas of North America, the United Kingdom, Eastern Europe, the Middle East, the Pacific Islands, Australasia and China. The obesity epidemic is not restricted to industrialized societies; this increase is often faster in developing countries than in the developed world. Obesity and overweight pose a major risk for serious diet-related chronic diseases, including type 2 diabetes, cardiovascular disease, hypertension and stroke, and certain forms of cancer. The health consequences range from increased risk of premature death, to serious chronic conditions that reduce the overall quality of life. Of especial concern is the increasing incidence of child obesity.

Why is this happening?

“The rising epidemic reflects the profound changes in society and in behavioural patterns of communities over recent decades. While genes are important in determining a person's susceptibility to weight gain, energy balance is determined by calorie intake and physical activity. Thus societal changes and worldwide nutrition transition are driving the obesity epidemic. Economic growth, modernization, urbanization and globalization of food markets are just some of the forces thought to underlie the epidemic.

“As incomes rise and populations become more urban, diets high in complex carbohydrates give way to more varied diets with a higher proportion of fats, saturated fats and sugars. At the same time, large shifts towards less physically demanding work have been observed worldwide. Moves towards less physical activity are also found in the increasing use of automated transport, technology in the home, and more passive leisure pursuits.”

J. Pornography

1) From the section “Preserving Family Values in a Media Driven Society” (at http://familysafemedia.com/pornography_statistics.html#anchor1)

a) Worldwide Pornography Revenues (2006) = \$92.06 billion

b) Internet Pornography Statistics (no year assigned)

Pornographic websites = 4.2 million (12% of total websites)

Daily Pornographic Search Engine Requests = 68 million (25% of total search engine requests)

c) Pornographic Webpages by Country

United States	244,661,900
Germany	10,030,200
United Kingdom	8,506,800
Australia	5,655,800
Japan	2,700,800
The Netherlands	1,883,800
Russia	1,080,600
Poland	1,049,600
Spain	852,800

d) Top Pornography Banning Countries

Saudia Arabia, Iran, Syria, Bahrain, Egypt, UAE, Kuwait, Malaysia, Indonesia, Singapore, Kenya, India, Cuba, China

e) Sources

Statistics are compiled from the credible sources mentioned. In reality, statistics are hard to ascertain and may be estimated by local and regional worldwide sources.

ABC, Associated Press, AsiaMedia, AVN, BBC, CATW, U.S. Census, Central Intelligence Agency, China Daily, Chosen.com, Comscore Media Metrix, Crimes Against Children, Eros, Forbes, Frankfurt Stock Exchange, Free Speech Coalition, Google, Harris Interactive, Hitwise, Hoover's, Japan Inc., Japan Review, Juniper Research, Kagan Research, ICMEC, Jan LaRue, The Miami Herald, MSN, Nielsen/NetRatings, The New York Times, Nordic Institute, PhysOrg.com, PornStudies, Pravda, Sarmatian Review, SEC filings, Secure Computing Corp., SMH, TopTenREVIEWS, Trellian, WICAT, Yahoo!, XBIZ

2) From article "Internet Porn: Worse Than Crack?" by Ryan Singel posted at the website www.wired.com on November 19, 2004 (see <http://www.wired.com/science/discoveries/news/2004/11/65772>)

"Internet pornography is the new crack cocaine, leading to addiction, misogyny, pedophilia, boob jobs and erectile dysfunction, according to clinicians and researchers testifying before a Senate committee Thursday.

"Witnesses before the Senate Commerce Committee's Science, Technology and Space Subcommittee spared no superlative in their description of the negative effects of pornography.

"Mary Anne Layden, co-director of the Sexual Trauma and Psychopathology Program at the University of Pennsylvania's Center for Cognitive Therapy, called porn the "most concerning thing to psychological health that I know of existing today."

"The internet is a perfect drug delivery system because you are anonymous, aroused and have role models for these behaviors," Layden said. "To have drug pumped into your house 24/7, free, and children know how to use it better than grown-ups know how to use it -- it's a perfect delivery system if we want to have a whole generation of young addicts who will never have the drug out of their mind."

“Pornography addicts have a more difficult time recovering from their addiction than cocaine addicts, since coke users can get the drug out of their system, but pornographic images stay in the brain forever, Layden said.

“Jeffrey Satinover, a psychiatrist and advisor to the National Association for Research and Therapy of Homosexuality echoed Layden's concern about the internet and the somatic effects of pornography.

"Pornography really does, unlike other addictions, biologically cause direct release of the most perfect addictive substance," Satinover said. "That is, it causes masturbation, which causes release of the naturally occurring opioids. It does what heroin can't do, in effect."

“The hearing came just days after a controversy over a sexually suggestive Monday Night Football ad that has many foreseeing a crackdown on indecency by the Federal Communications Commission.”

3) From the section “Child Pornography” on the Wikipedia page “Internet Pornography” (at http://en.wikipedia.org/wiki/Internet_pornography)

“The NCMEC estimated in 2003 that 20% of all pornography traded over the Internet was child pornography, and that since 1997 the number of child pornography images available on the Internet had increased by 1500%. Regarding internet proliferation, the US DOJ states that "At any one time there are estimated to be more than one million pornographic images of children on the Internet, with 200 new images posted daily." They also note that a single offender arrested in the U.K. possessed 450,000 child pornography images, and that a single child pornography site received a million hits in a month. Further, that much of the trade in child pornography takes place at hidden levels of the Internet, and that it has been estimated that there are between 50,000 and 100,000 pedophiles involved in organized pornography rings around the world, and that one third of these operate from the United States. Digital cameras and Internet distribution facilitated by the use of credit cards and the ease of transferring images across national borders has made it easier than ever before for users of child pornography to obtain the photographs and videos.”

K. Black Friday

1) From article “Black Friday Sales Up 7% Over 2010” by Dee-Ann Durbin, posted at Huffington Post on November 26, 2011 (see http://www.huffingtonpost.com/2011/11/26/black-friday-sales-up-seven-percent_n_1114349.html)

“The holiday shopping season got off to a strong start on Black Friday, with retail sales up 7 percent over last year, according to the most recent survey. Now stores just have to keep buyers coming back without the promise of door-buster savings.

“Buyers spent \$11.4 billion at retail stores and malls, up nearly \$1 billion from last year, according to a Saturday report from ShopperTrak. It was the largest amount ever spent on the day that marks the beginning of the holiday shopping season, and the biggest year-over-year increase since 2007. Chicago-based ShopperTrak gathers data from 25,000 outlets across the U.S., including individual stores and shopping centers.

“The Mall of America in Bloomington, Minn. broke its Black Friday record for shoppers, thanks to a decision to open at midnight for the first time. Around 210,000 visitors came to the mall on Friday, up from 200,000 last year, according to mall spokeswoman Bridget Jewell.

“Online shopping was strong as well, with a 24.3 percent increase in online spending on Black Friday, according to IBM, which tracks sales at 500 online retailers.

“Bill Martin, who founded ShopperTrak, said he was surprised by the strong showing. He had expected the weak economy to dent consumer confidence and keep more shoppers out of the stores, or at least from spending much. Instead, he said, they responded to a blanket of promotions, from 60- and 70-percent off deals to door-buster savings on electronics.

"I'm pleased to see it. You can't have a great season without having a good Black Friday," Martin told The Associated Press in an interview.

“Sales were also up 4 percent each in the two weeks leading up to Black Friday, as retailers started their promotions earlier than usual or extended their hours.

“Still, he suspects things will quiet down this weekend, as promotions end and the buying frenzy subsides. ShopperTrak is expecting holiday sales to be up 3.3 percent this season. Retailers generally rely on sales between Thanksgiving and Christmas to make up 20 percent of their annual take.”

L. “...the company had been dramatically under-reporting its pollution.”

From story “N.Y. Plant's Neighbors Expose Regulatory Gaps” by ELIZABETH SHOGREN, SANDRA BARTLETT and KRISTEN LOMBARDI, aired on NPR’s “All Things Considered” November 10, 2011 (see <http://www.npr.org/2011/11/10/142189390/tonawanda-provides-lessons-for-fighting-toxic-air>)

Excerpts here from transcript, accessible at <http://www.npr.org/templates/transcript/transcript.php?storyId=142189390>)

1) “But the official told them there wasn't much the state could do because the plant was passing its inspections...”

JAMES-CREEDON: And we were questioning: Why are people so sick in this area?

SHOGREN: A state health department study had shown elevated rates of some cancers, including thyroid, lung and brain cancers, in parts of Tonawanda. But the study didn't explain what could be causing the increase.

JAMES-CREEDON: We thought that possibly it could be the air that we've been breathing in for the last 30 years.

SHOGREN: There weren't any government air quality monitors in the area. But James-Creedon found out that other communities were testing their own air with buckets.

(She shows me the place where she took the first bucket sample seven years ago.)

JAMES-CREEDON: And we built this for about \$100 using parts from the hardware store. It's literally a Home Depot bucket.

SHOGREN: One bucket sample came back from the lab showing benzene levels that were off the chart. Benzene is a known carcinogen. It's linked to blood disorders, leukemia and reproductive problems. The group shared the results with state regulators and the media.

JAMES-CREEDON: Once we exposed the truth, the ball started rolling.

SHOGREN: But it didn't roll very fast. A state official started attending the group's monthly meetings. Members remember him hinting that the likely source of benzene was Tonawanda Coke, a sprawling plant that bakes coal in super hot outdoor ovens. Coal is essential for casting iron and making steel. But the official told them there wasn't much the state could do because the plant was passing its inspections and complying with its air pollution permit. The group decided it needed reinforcements to push the state into action.

James-Creedon says members went door-to-door in the neighborhoods closest to Tonawanda Coke, urging people to make official complaints about the awful odors, the huge plumes of soot and the symptoms they were suffering.

JAMES-CREEDON: People are complacent and just thought that this was normal way of life - breathing this in.

2) "The company had been reporting annual benzene emissions of three to five tons. But the high-tech test showed they were nearly 91 tons."

HOGREN: Joe Martens is the commissioner of the New York Department of Environmental Conservation. Why was this plant allowed to pollute for so long?

MARTENS: Hazardous air pollutants are difficult to detect. We didn't have the equipment originally to do the type of detection, you know, police work, that EPA was able to do.

SHOGREN: Last year, the EPA ordered the company to pay for high-tech testing. It revealed the company had been dramatically under-reporting its pollution. The company had been reporting annual benzene emissions of three to five tons. But the high-tech test showed they were nearly 91 tons.

M. % of Global Wealth Controlled by Millionaires

1) From article "Millionaires Control 39% of Global Wealth" by Robert Frank, posted in the Wealth Report section of Wall Street Journal blogs on October 19, 2011 (at <http://blogs.wsj.com/wealth/2011/10/19/millionaires-control-39-of-global-wealth/?mod=WSJBlog>)

“Here’s another stat that the Occupy Wall Streeters can hoist on their placards: The world’s millionaires and billionaires now control 38.5% of the world’s wealth.

“According to the latest Global Wealth Report from Credit Suisse, the 29.7 million people in the world with household net worths of \$1 million (representing less than 1% of the world’s population) control about \$89 trillion of the world’s wealth. That’s up from a share of 35.6% in 2010, and their wealth increased by about \$20 trillion, according Credit Suisse.

“The wealth of the millionaires grew 29% — about twice as fast as the wealth in the world as a whole, which now has \$231 trillion in wealth.

“The U.S. has been the largest wealth generator over the past 18 months, according to the report, adding \$4.6 trillion to global wealth. China ranked second with \$4 trillion, followed by Japan (\$3.8 trillion), Brazil (\$1.87 trillion) and Australia (\$1.85 trillion).

“There are now 84,700 people in the world worth \$50 million or more — with 35,400 of them living in the U.S.. There are 29,000 people world-wide worth \$100 million or more and 2,700 worth \$500 million or more.

“The fastest growth in the coming years will be in China, India and Brazil. China now has a million millionaires. Wealth in China and Africa is expected to grow 90%, to \$39 trillion and \$5.8 trillion respectively, by 2016. Wealth in India and Brazil is expected to more than double to \$8.9 trillion and \$9.2 trillion respectively.

V. Other Challenges Which Are Part of This Writer's Ten Point List (see Appendix A) and Which Need to be Resolved as Part of a Sustainable Solution to the Current Debt Crises

A. Global Warming—reducing carbon emissions

1) From “Climate Change 2007: Synthesis Report Summary for Policymakers” (by The Intergovernmental Panel on Climate Change. (“The Intergovernmental Panel on Climate Change (IPCC) has been established by WMO and UNEP to assess scientific, technical and socio- economic information relevant for the understanding of climate change, its potential impacts and options for adaptation and mitigation.)

a) in section “Causes of Change”)(at http://www.ipcc.ch/publications_and_data/ar4/syr/en/spms2.html (see 1st and 2nd conclusions in bold type) (confirmed July 21, 2011) (Note: this writer used italics instead of bold type in text below)

“Global GHG (Green House Gas) emissions due to human activities have grown since pre-industrial times, with an increase of 70% between 1970 and 2004.”

“Carbon dioxide (CO₂) is the most important anthropogenic GHG. Its annual emissions grew by about 80% between 1970 and 2004.”

“Global atmospheric concentrations of CO₂, methane (CH₄) and nitrous oxide (N₂O) have increased markedly as a result of human activities since 1750 and now far exceed pre-industrial values determined from ice cores spanning many thousands of years.”

b) in section “Projected Climate Change and its Impact”) (at http://www.ipcc.ch/publications_and_data/ar4/syr/en/spms3.html) (7th and 8th conclusions in bold type) (confirmed July 21, 2011)

“Anthropogenic warming and sea level rise would continue for centuries due to the time scales associated with climate processes and feedbacks, even if GHG concentrations were to be stabilized.”

“Anthropogenic warming could lead to some impacts that are abrupt or irreversible, depending upon the rate and magnitude of the climate change.”

[Special Note: From webpage “Summary Description of the IPCC Process” at <https://www.ipcc-wg1.unibe.ch/statement/WGIsummary22122009.html>]

“The following Table provides some numbers relevant to the process for the Working Group I Contribution to the IPCC Fourth Assessment Report, Climate Change 2007: The Physical Science Basis:

The IPCC WGI AR4

The Report

Two Scoping Meetings to outline 11 Chapters

Over 2000 Experts from 76 countries nominated

152 Lead Authors and 26 Review Editors from 32 countries

498 Contributing Authors from 28 countries

Over 6,000 peer-reviewed publications cited

The Summary for Policymakers was approved line-by-line by 113 Governments

The Reviews

Over 30,000 comments from:

625 Expert Reviewers, from 42 countries

27 Governments

2) From the “About Focus the Nation” section of the “Focus the Nation” website (see <http://www.focusthenation.org/about>) (confirmed October 20, 2009—specific text no longer accessible on the Internet, per search on April 3, 2011)

“Our 2008 Civic Engagement campaign organized 1900 climate change teach-ins on college campuses on Jan. 31, 2008, engaging 64 members of Congress in direct dialogue with youth activists during the height of the early presidential primaries. Between teach-ins and web-casts, we directly engaged more than 240,000 people in climate change educational forums. The teach-ins generated more than 900 press hits, including articles in TIME, Grist, New York Times, Newsweek, NPR, USA Today, MSNBC, Los Angeles Times and nearly every major daily from the Houston Chronicle to the Boston Globe.”

As corroboration, here is passage from the Wikipedia entry of Eban S. Goodstein (in section “Green House Network” at http://en.wikipedia.org/wiki/Eban_Goodstein) (confirmed August 5, 2011)

“In January, 2008, over 1900 universities, schools, and civic groups nation-wide participated in what amounted to the largest teach-in in U.S. history, involving over a million people in an event designed to educate and engage Americans in a discussion of global warming solutions.”

3) From “Climate Code Red: The Case for a Sustainable Emergency” by David Spratt and Philip Sutton Published February, 2008 by Friends of the Earth, Australia (See <http://www.climatecodered.net/> for free download)

a) From p. 70-71, paragraphs 7, 8, and 9 (Confirmed June 1, 2008)

“It’s ‘now or never’ for truly radical action and heroic leadership. How much of our productive wealth we must devote to this life-saving action should not be calculated in tenths of a percent, but in how many %, and if necessary, in how many tens of %. During the last global mobilization, the 1939-1945 war, more than 30%, and in some cases more than half, of the economy was devoted to military expenditure (a table with statistics is provided). Is not the cause and the need much greater now?”

“At a rough calculation, \$300-400 billion invested in renewable energy and energy efficiency in Australia would allow us to close every coal-fired electricity generator, transform our rail and transport and key industries, and provide a just transition for those economically displaced by the changes. And much of that investment in energy efficiency would be repaid in lower energy costs over time. That’s just 3-4% of our total economic production for 10 years, minus the energy savings, and is miniscule compared to the war effort. Can we not identify 3-4% of total personal consumption and government expenditures and corporate activity that could reasonable be re-directed to this necessary task?”

b) From p. 44, paragraphs 5, 6, and 7 (Confirmed June 1, 2008)

“The usual approach to an emergency is to direct all available resources to resolving the immediate crises, and to put non-essential concerns on the back-burner for the duration.

“Many people argue that in today’s world we should focus our attention exclusively on climate because a ‘single issue’ approach is a good way to concentrate people’s minds on action, and cut through the competing, lower priority issues. While this is a powerful practical argument, is it the right strategy? To test this approach, we need to ask whether there are issues that

- i) will be seen, in retrospect, to have caused major problems if ignored
- ii) are of great moral significance from a caring/compassionate point of view, and therefore should not be ignored
- iii) should be taken into account in framing the solutions to issues that are tackled during the period of the emergency because otherwise serious new problems will be created, or existing crises will be deepened
- iv) are so compelling (for any reason) in the short term that they threaten to take attention away from climate , if a one-at-a-time approach is applied

“When these questions are asked, it is clear there are several issues that simply must be resolved with the climate crises. (These are issues) that cannot be ignored because their impacts on all people, including the rich and powerful are so great: for example peak oil, severe economic depression, warfare, and pandemics. And there are ethical issues that we should (also) not ignore, such as poverty—including adequacy of food supply at an affordable price—and biodiversity protection.”

4) FromTimesOnline article “Global warming must stay below 2C or world faces ruin, scientists declare” on May 28, 2009 (see <http://www.timesonline.co.uk/tol/news/environment/article6380709.ece>) (confirmed April 3,2011) [references document “The St James Palace Memorandum” from Symposium “Action for a Low Carbon and Equitable Future” London, UK, 26 – 28 May 2009) (for that document, see http://extras.timesonline.co.uk/pdfs/sjp_memorandum_290509.pdf) (confirmed April 3, 2011)]

(Excerpts from the news article at TimesOnline) (see paragraph 1)

“World carbon emissions must start to decline in only six years if humanity is to stand a chance of preventing dangerous global warming, a group of 20 Nobel prize-winning scientists, economists and writers declared today.”

(Excerpts from the actual “St. James Palace Memorandum”) (see paragraph 1)

“The robust scientific process, by which this evidence has been gathered, should be used as a clear mandate to accelerate the actions that need to be taken. Political leaders cannot possibly ask for a more robust, evidence-based call for action.”

5) From UNEP Executive Director Achim Steiner “UNEP Chief Addresses UN Security Council Debate on Climate Change and Security” (Address by UN Under-Secretary-General and UNEP Executive Director Achim Steiner at UN Security Council Debate on the impact of climate change on maintaining international peace and security) 20 July 2011. (at <http://www.unep.org/newscentre/Default.aspx?DocumentID=2646&ArticleID=8817&l=en> (confirmed July 21, 2011))

“The IPCC's fifth assessment will be released in 2013/2014, but already many teams of scientists claim the forecasts and scenarios of future climate change in the fourth IPCC assessment are being overtaken.

“What the newly emerging science is in many ways pointing to is also tipping points, sudden and perhaps irreversible changes accompanied by feedback mechanisms; an Arctic free of summer ice by 2030, for example, could reduce the amount of sunlight reflected back into space leading to more heat absorbed by the Earth.

“Another, related feedback mechanism is the thawing of the permafrost in the Arctic which in turn might trigger releases of ancient, stored carbon from the tundra. One study led by scientists at the universities of Florida, California and Alaska has suggested that unchecked climate change might cause close to 100 billion tonnes of ‘old carbon’ to be released from melting permafrost this century. This would have a warming affect equivalent to 270 years of carbon dioxide emissions at current levels.

“The science informs us that the quantity and quality of these resources will be at increasing risk from climate change and its impacts and that, without broad and cooperative action, irreversible tipping points could occur with perhaps sudden and abrupt shocks to communities and countries.

“There is a great deal of knowledge and analysis accumulated over many decades on the conditions and the triggers that can trip tensions and turmoil into conflict and war. The scientific evidence that has been rapidly expanding and maturing over the past three decades on climate change adds a new and additional dimension to this analysis and knowledge.

“Humanity is at a point in its history where it has, for the first time, the power to fundamentally alter within one or two generations the conditions upon which societies have evolved over millennia. It is the speed of environmental change, including climate change that will be increasingly at the heart of our collective concern and response. The question is less and less one of whether climate change is a security threat or a threat multiplier. But one of how we can assess and manage the risks associated with climate change and its security implications as an international community.

“There can be little doubt today that climate change has potentially far-reaching implications for global stability and security in economic, social and environmental terms which will increasingly transcend the capacity of individual nation States to manage. In that context the sustainable development paths of individual nations will increasingly be predicated upon the ability of the international community to act collectively in addressing these developments.

“While a changing climate has already become an inevitability as a result of historical emissions, our ability to manage its consequences and avoid its most dangerous possibilities will depend on a proactive strategy of evolved and perhaps new international platforms, mechanisms and institutional responses: ones which both anticipate security concerns and facilitate cooperative responses.

“Indeed there is no reason why the international community cannot avoid escalating conflicts, tensions and insecurity related to a changing climate if a deliberate, focused and collective response can be catalyzed that tackles the root causes, scale, potential volatility and velocity of the challenges emerging.”
(italics by SP)

6) From article “Bridging the Emissions Gap to Meet 2-Degree Target Doable” (referencing United Nations Environment Programme report “Bridging the Emissions Gap”) (article at <http://www.unep.org/newscentre/default.aspx?DocumentID=2659&ArticleID=8955&l=en>) Note: “Bridging the Emissions Gap” report released November 23, 2011)

“New UNEP Report Outlines the Pathways to 2020 Able to Deliver the Additional 6 to 11 Gigatonne Cuts Needed to Get World onto Safe track

“London/Nairobi, 23 November 2011 - Cutting emissions by 2020 to a level that could keep a global, 21st century, temperature rise under 2 degrees C is technologically and economically feasible, says a comprehensive new study released today by the UN Environment Programme (UNEP)...”

“...The *Bridging the Emissions Gap* report, issued just days ahead of the UN climate convention negotiations in South Africa and seven months before the Rio+20 summit in Brazil, provides the clearest indicators yet that the world already has the solutions to avert damaging climate change.....”

“The study, titled *Bridging the Emissions Gap*, brought together 55 scientists and experts from 28 scientific groups across 15 countries to examine the newest scientific research on the gap between the pledges that countries have made to cut their greenhouse gas emissions and what will be needed if we are to be on track to reach the 2 degree target by 2020.

"This report puts into the hands of governments and policymakers vital information about their options if the world is to meet the climate change challenge," said Achim Steiner, Executive Director of UNEP and Under-Secretary General of the UN. "This year, countries will be able to begin their deliberations in Durban, South Africa, with all the key technological and economic scenarios at their fingertips that outline the gap between current ambition and scientific reality alongside the urgent bridges that can be built to span this emissions' divide."

7) From the Wikipedia section on “Global Warming” (see section “Public Opinion”) (see http://en.wikipedia.org/wiki/Global_warming#Public_opinion) (confirmed July 21, 2011)

“A survey in October, 2009 by the Pew Research Center for the People & the Press showed decreasing public perception in the United States that global warming was a serious problem. All political persuasions showed reduced concern with lowest concern among Republicans, only 35% of whom considered there to be solid evidence of global warming. The cause of this marked difference in public opinion between the United States and the global public is uncertain but the hypothesis has been advanced that clearer communication by scientists both directly and through the media would be helpful in adequately informing the American public of the scientific consensus and the basis for it. The U.S. public appears to be unaware of the extent of scientific consensus regarding the issue, with 59% believing that scientists disagree "significantly" on global warming.

8) From article “World Headed for Irreversible Climate Change” by Fiona Harvey. Posted on November 11, 2011 at <http://energybulletin.net/stories/2011-11-11/world-headed-irreversible-climate-change-%E2%80%94-iaea>

“The world is likely to build so many fossil-fuelled power stations, energy-guzzling factories and inefficient buildings in the next five years that it will become impossible to hold global warming to safe levels, and the last chance of combating dangerous climate change will be “lost for ever”, according to the [most thorough analysis](#) yet of world energy infrastructure.

“Anything built from now on that produces carbon will do so for decades, and this “lock-in” effect will be the single factor most likely to produce irreversible climate change, the world’s foremost authority on energy economics has found. If this is not rapidly changed within the next five years, the results are likely to be disastrous.

“The door is closing,” Fatih Birol, chief economist at the International Energy Agency (IEA), said. “I am very worried — if we don’t change direction now on how we use energy, we will end up beyond what scientists tell us is the minimum [for safety]. The door will be closed forever.”

“If the world is to stay below 2°C of warming, which scientists regard as the limit of safety, then emissions must be held to no more than 450 parts per million (ppm) of carbon dioxide in the atmosphere; the level is currently around [390 ppm](#). But the world’s existing infrastructure is already producing 80% of that “carbon budget”, according to the IEA’s analysis, published on Wednesday. This gives an ever-narrowing gap in which to reform the global economy on to a low-carbon footing.

No room to move

“If current trends continue, and we go on building high-carbon energy generation, then by 2015 at least 90% of the available “carbon budget” will be swallowed up by our energy and industrial infrastructure. By 2017, there will be no room for manoeuvre at all – the whole of the carbon budget will be spoken for, according to the IEA’s calculations.

“Birol’s warning comes at a crucial moment in international negotiations on climate change, as governments gear up for the next fortnight of [talks in Durban](#), South Africa, from late November. “If we

do not have an international agreement, whose effect is put in place by 2017, then the door to [holding temperatures to 2°C of warming] will be closed forever," said Birol.

9) From article "The Durban Climate Agreement "Is Almost Useless", posted in "The World from Berlin" section of "SpeigelOnline" December 12, 2011 (written and compiled by David Crossland) (see <http://www.spiegel.de/international/world/0,1518,803158,00.html>)

"The climate talks in Durban ended with an agreement to agree on a new agreement on emissions cuts in coming years. The outcome was hailed as historic by the organizers, but German commentators say the pledges remain too vague and the progress too slow -- while global warming is accelerating.

Countries from around the globe agreed on Sunday to forge a new deal forcing all the biggest polluters for the first time to limit greenhouse gas emissions. A package of accords agreed after two weeks of [United Nations talks](#) in Durban, South Africa, extended the 1997 Kyoto Protocol -- the only global pact enforcing carbon cuts -- allowing five more years to finalize a wider pact.

Delegates agreed in the early hours of Sunday to start work next year on a new, legally binding accord to cut greenhouse gases, to be decided by 2015 and to come into force by 2020. The process for doing so, called the Durban Platform for Enhanced Action, would "develop a new protocol, another legal instrument or agreed outcome with legal force." The phrasing was vague enough for all parties to claim victory.

Countries also agreed on the format of a "Green Climate Fund" to help poor nations tackle climate change. "We have made history," said South African Foreign Minister Maite Nkoana-Mashabane, who chaired the talks.

German media commentators beg to differ. Most argue that the best that can be said of the Durban agreement is that it kept global climate talks alive. Some even question whether the UN is the right forum for climate talks, since the so-called accords have produced only meager results, while the world's climate continues to heat up inexorably.

Left-leaning **Die Tageszeitung** writes:

"The losers are the small and vulnerable countries that are hit especially hard by climate change. True, they'll get money from the 'Green Climate Fund' once its financing has finally been agreed on. But in fact hardly anything is being done to stop emissions from continuing to rise dramatically."

"The fact that it's seen as a success that international climate diplomacy has dragged itself into a new round shows how inadequately the UN process on climate change is tackling the problem. Sure, the Europeans have managed to install a process in which countries will talk about what they can do to improve their efforts. But that doesn't amount to determined action against the impending climate disaster."

The center-right daily **Frankfurter Allgemeine Zeitung** writes:

"The results of the Durban conference were meager. It has kept the sluggish process of negotiations alive -- but that's about it. And that's not good for the earth's climate. The agreements don't look bad on paper. A binding climate agreement covering all states, poor and rich, big and small, is to be negotiated by 2015. A date has even been given for the agreement to take effect: 2020. That is new and increases

the binding nature of the process. But it's watered down in the small print. The agreement makes no mention of a legally binding agreement the Europeans would have liked to see. Now at best the talk is of an "agreed outcome with legal force." That threatens to tear down at the back what was agreed at the front."

"The United Nations has offered vague promises of agreements and reductions while the rise in greenhouse gas emissions is accelerating. Global warming is continuing unchecked: instead of two degrees Celsius over the pre-industrial age, four degrees is now likely. There was a lot of hand-wringing about that in Durban but once again a solution to the problem was adjourned."

Left-wing **Frankfurter Rundschau** writes:

"The Kyoto Protocol is saved. After a hard diplomatic battle, the summit meeting agreed to a continuation of the historic climate agreement to cut greenhouse gas emissions that would otherwise have expired in 2012. That makes for good reading. As does the fact that the US, China and the other emerging markets want to take part in a new global agreement from 2020. The only problem is that it's almost useless. The UN summit wasn't a debacle like the Copenhagen conference two years ago, but it only narrowly avoided complete failure -- like most of the 16 summits before it."

Center-left **Süddeutsche Zeitung** writes:

"Durban hasn't solved any problems, it has merely offered the prospect of a solution. In 2015, when the decision will have to be taken on a new agreement, China will have a new government, and the US will be facing its next presidential election the following year. The world climate council IPCC will have submitted its latest report and there is nothing to suggest that the scientists will sound the all clear. Quite the contrary. Global greenhouse gas emissions will continue to grow, unless there's an economic downturn. The pressure for a deal will continue to increase. And with a lot of luck, there will be a treaty in 2020 -- late, but not too late."

ANZEIGE

Business daily **Handelsblatt** writes:

"What has been decided in Durban is no more than one of the typical compromise formulas one gets at the end of negotiations organized by the United Nations: everyone's a little bit satisfied. But Germany and the EU haven't succeeded in meeting the goals they had set themselves. German Environment Minister Norbert Röttgen had stressed in the run-up to the conference that the benchmark for success would be the extent to which a future agreement would be binding. The aim was to tie in major polluters that had not committed themselves to emissions reductions under the Kyoto Protocol. But the Durban summit hasn't answered the question as to whether big polluters like China, India and the US can be tied in to binding emissions reductions pledges from 2020. The international community plans to work out an agreement by 2015 to implement an outcome 'with legal force' in the following years. Anyone who believes that this formulation amounts to a future obligation by the US, China, India and other big polluters to cut emissions must be naïve."

"Durban has shown once again that global climate conferences aren't a suitable forum for effective climate protection. The UN climate conference didn't get closer to the goal of limiting global warming to two degrees over the pre-industrial age. The summit ended with a result -- but in truth, it failed."

B. The end of the era of “cheap energy” (particularly in reference to “peak oil”)

[Note: For this writer’s ten point list of the most critical challenges ahead, see Appendix A.]

[Additional Note: Most of these entries are from a 64 page draft of Section #3 “The end of ‘cheap energy’ (particular in reference to ‘peak oil’)” (part of the “IPCR Critical Challenges Assessment 2011”). That draft can be accessed from the “IPCR Critical Challenges Assessment 2011” project webpage at <http://www.ipcri.net/Critical-Challenges-Assessment.html>]

1) From review (dated July 19, 2004) by Publisher’s Weekly (Reed Business Information) of “Blood and Oil: the dangers and consequences of America’s growing petroleum dependency” by Michael T. Klare Metropolitan Books August, 2004 (at <http://www.publishersweekly.com/978-0-8050-7313-3>) (confirmed August 30, 2011)

(also in Sections III and IV; repeated here for emphasis)

The world's rapidly growing economy is dependent on oil, the supply is running out and the U.S. and other great powers are engaged in an escalating game of brinkmanship to secure its continued free flow. Such is the premise of Klare's powerful and brilliant new book (following Resource Wars). The U.S.-with less than 5% of the world's total population-consumes about 25% of the world's total supply of oil, he argues. With no meaningful conservation being attempted, Klare sees the nation's energy behavior dominated by four key trends: "an increasing need for imported oil; a pronounced shift toward unstable and unfriendly suppliers in dangerous parts of the world; a greater risk of anti-American or civil violence; and increased competition for what will likely be a diminishing supply pool." In clear, lucid prose, Klare lays out a disheartening and damning indictment of U.S. foreign policy. From the waning days of WWII, when Franklin Roosevelt gave legitimacy to the autocratic Saudi royalty, to the current conflict in Iraq, Klare painstakingly describes a nation controlled by its unquenchable thirst for oil. Rather than setting out a strategy for energy independence, he finds a roadmap for further U.S. dependence on imported oil, more exposure for the U.S. military overseas and, as a result, less safety for Americans at home and abroad. While Klare offers some positive suggestions for solving the problem, in tone and detail this work sounds a dire warning about the future of the world.”

(from Amazon.com page for Michael T. Klare)

[Note: Michael T. Klare is a Five Colleges professor of Peace and World Security Studies, whose department is located at Hampshire College, defense correspondent of The Nation magazine, and author of Resource Wars and Blood and Oil: The Dangers and Consequences of America's Growing Petroleum Dependency (Metropolitan). Klare also teaches at Amherst College, Smith College, Mount Holyoke College, and the University of Massachusetts, Amherst. Klare also serves on the boards of directors of Human Rights Watch, and the Arms Control Association. He is a regular contributor to many publications including The Nation, TomDispatch, Mother Jones, and is a frequent columnist for Foreign Policy In Focus.]

2) From the “Hirsch Report” [“The Peaking of World Oil Production: Impacts, Mitigation and Risk Management” —Project Leader: Robert L. Hirsch (SAIC) Commissioned by the Department of Energy, and dated February, 2005] [Accessible at the website of Roscoe Bartlett (R-MD)(USA) at

www.bartlett.house.gov/EnergyUpdates/] (see <http://www.bartlett.house.gov/uploadedfiles/hirschreport.pdf>) (confirmed April 3, 2011)

(in “Summary and Concluding Remarks”)

“Over the past century the development of the U.S. economy and lifestyle has been fundamentally shaped by the availability of abundant, low-cost oil. Oil scarcity and several-fold oil price increases due to world oil production peaking could have dramatic impacts.” (see Point #2: “Oil Peaking Could Cost the U.S. Economy Dearly”, p. 64)

“The world has never faced a problem like this. Without massive mitigation more than a decade before the fact, the problem will be pervasive and will not be temporary.” (see Point #3: “Oil Peaking Presents a Unique Challenge”, p. 64)

(in “Executive Summary”)

“The peaking of world oil production presents the U.S. and the world with an unprecedented risk management problem. As peaking is approached, liquid fuel prices and price volatility will increase dramatically, and, without timely mitigation, the economic, social, and political costs will be unprecedented.” (see paragraph 1, p. 4)

3) From article “Unleashing Abundance as a Community Response to Peak Oil: Designing Energy Descent Pathways” by Rob Hopkins in Issue #59 of Permaculture Activist magazine (Spring, 2006) (at <http://permacultureactivist.net/articles/EnergyDescent.htm>) (see paragraph 1 and 2) (confirmed August 28, 2011)

“There is an emerging consensus now that we are either very close to or have passed the peak in world oil production. As someone who has been involved in environmental issues for 16 years, and permaculture for 13 years, I have to ask myself how I didn't see this one coming (although I know some of you did!). The implications are profound. No longer is it in any way appropriate to say 'we need to recycle,' when the processes of recycling require transporting recyclable waste long distances. We have to look much deeper at the whole waste question. An excellent recent report by Tim Lang and Jules Pretty, *'Farm Costs and Food Miles: An Assessment of the Full Cost of the UK Weekly Food Basket,'* argued that food could only be called sustainable when it is grown and consumed within a 20-mile radius. We have to build a local food economy from an almost totally non-existent base. There has been no time in history when anything less than 70% of the population were involved in some way in the production of food. Nowadays it is more like 6% (here in Ireland, for example), and of those, a high proportion would have lost much of that knowledge. "Green" building that relies on imported "ecological" materials from other countries will no longer be viable, leading to our needing to rethink how we will actually construct energy-efficient shelter in a lower energy near future. We are looking at the need for a rapid process of re-localisation, of looking at what is essential to our lives (food, warmth, shelter, water) and rebuilding the local economy in such a way that it is actually able to supply these. The process of dismantling our diverse and complex local economies over the last 50-60 years was a disastrous one. It was easy to take apart but it will be incredibly hard to rebuild.”

4) From an interview of Albert Bates (Director of The Farm's Ecovillage Training Center since 1994) for the Spring, 2007 issue of New Southerner magazine (interview by David M. Buchanan) (Note: no longer accessible at the New Southerner magazine website, but still accessible from the following blogspot <http://cantate-domino.blogspot.com/2007/05/new-southerner-interview-of-albert.html>)

Interview Title: "The Good News about Oil Depletion: Albert Bates discusses how life can be simpler and happier for generations to come"

"DB: Do you think it's possible for our current global economy and transportation system to survive in the face of oil depletion? Or is it inevitable that these systems will collapse and everyone will be forced to start over? How do you see this whole oil depletion situation panning out? What kind of scenario might we see, and when do you think it might start?

"AB: It's very difficult to predict how this will all unfold because so little is known about what the actual resource in the ground is or how soon or how easily it can be brought to market. I see four possible scenarios. Plan A is business as usual, and to some extent that involves a global strategy of last one standing, the idea being that we will just dominate the world and take over whatever resources we need to feed ourselves. I don't think that's viable. That's not going to last. Plan B is something you might hear from Al Gore or Amory Lovins or some of the advocates of green technology. I think Lester Brown is a good example of that. That you have technologies that will come along and enable us to maintain our lifestyle with very little change. I don't think that's very realistic either because that still assumes this exponential growth, which is never sustainable. So then Plan C is more like the Amish. It's curtailment. It's living more simply, using less resources. Plan D is what we're trying to avoid — that's the die-off. It's nuclear war. It's the idea that James Lovelock propounds that the world is getting so hot in such a short amount of time that we'll soon become warring tribes fighting over the last habitable areas of the arctic. I don't foresee that either. I categorize myself as somewhere between Plan B and Plan C. I see us finding elegant ways to simplify, reduce our consumption and scale down."

5) From "A View from Oil's Peak", entry #184 posted on August 1, 2007 in the "Museletter" section of Richard Heinberg's website (currently accessible at his wordpress webpage <http://heinberg.wordpress.com/2007/08/01/184-the-view-from-oil%E2%80%99s-peak/>) (from the last five paragraphs in the section "2. What might happen in the next decades absent policies to address Peak Oil?"—and from the concluding paragraph) (confirmed August 28, 2011)

"The global transport system is almost entirely dependent on oil—not just private passenger automobiles, but trucks, ships, diesel locomotives, and the entire passenger and freight airline industry. High fuel prices will thus impact entire economies as travel becomes more expensive and manufacturers and retailers are forced to absorb higher transport costs.

"Conventional industrial agriculture is also overwhelmingly dependent on fossil fuels. Artificial ammonia-based nitrogenous fertilizers use natural gas as a raw material; modern farm machinery runs on petroleum products; and oil provides the feedstock for making cheap pesticides. According to one study, approximately ten calories of fossil fuel energy are needed to produce each calorie of food energy in modern industrial agriculture. With the global proliferation of the industrial-chemical agriculture system, the products of that system are now also traded globally, enabling regions to host human populations larger than local resources alone could support. Those systems of global distribution and trade also rely on oil. Within the US, the mean distance for food transport is now estimated at 1,546

miles. High fuel prices and fuel shortages will therefore translate to higher food prices and could even cause food shortages.

“A small but crucial portion of oil consumed globally goes into the making of plastics and chemicals. Some of the more common petrochemical building blocks of our industrial world are ethylene, propylene, and butadiene. Further processing of just these three chemicals produces products as common, diverse, and important as disinfectants, solvents, antifreezes, coolants, lubricants, heat transfer fluids, and of course plastics, which are used in everything from building construction materials to packaging, clothing, and toys. Future oil supply problems will affect the entire chain of industrial products that incorporate petrochemicals.

“Economic impacts to transport, trade, manufacturing, and agriculture will in turn lead to internal social tensions within importing countries. In exporting countries the increasing value of remaining oil reserves will exacerbate rivalries between political factions vying to control this source of wealth. Also, increased competition between consuming nations for control of export flows, and between importing nations and exporters over contracts and pipelines, may lead to international conflict.

“None of these impacts is likely to be transitory. The crisis of Peak Oil will not be solved in days, weeks, or even years. Decades will be required to re-engineer modern economies to function with a perpetually declining supply of oil.”

...“The human community’s central task for the coming decades must be the undoing of its dependence on oil, coal, and natural gas in order to deal with the twin crises of resource depletion and climate chaos. It is surely fair to say that fossil fuel dependency constitutes a systemic problem of a kind and scale that no society has ever had to address before. If we are to deal with this challenge successfully, we must engage in systemic thinking that leads to sustained, bold action.”

6) From preconference (September, 2007) brochure for a “Teach In: Confronting the Global Triple Crises—Climate Change, Peak Oil (The End of Cheap Energy), and Global Resource Depletion and Extinction” (September 14-17, 2007 at The George Washington University Lisner Auditorium in Washington D.C.) Sponsored by The International Forum on Globalization (www.ifg.org) and The Institute on Policy Studies (preconference brochure at http://www.ifg.org/events/Triple_Crisis_Speakers.pdf) (see p. 2)(confirmed August 28, 2011)

“The planet’s ecological systems are on the verge of catastrophic change for which few societies are prepared. So far, responses by governments to this emergency are inadequate, or counterproductive. We call it the “Triple Crisis,” the convergence of three advancing conditions:

- 1) Planet-wide climate chaos and global warming
- 2) The end of the era of cheap energy (“peak oil”)
- 3) The depletion of many of the world’s key resources: water, timber, fish, fertile soil, coral reefs; and the expected extinction of 50% of the world’s species.

“All are rooted in the same systemic problem—massive overuse of fossil fuels and the Earth’s resources; all driven by an economic ideology of hyper growth and consumption that’s beyond the limits of the planet to sustain.”

7) From Special Order speech on floor of House of Representatives February 28, 2008 by Rep. Roscoe Bartlett (R-MD) Transcript at <http://www.xecu.net/thorn/PO/PO-Feb28-2008.html> [the xecu.net link also provides a listing of links to special order speeches on peak oil and energy by Rep Bartlett—from March 14, 2005 to July 17, 2008 (35 different special order speeches) (see <http://www.xecu.net/thorn/PO/>) (confirmed August 28, 2011)

....”Here we are with 2 percent of the oil in the world, and the yellow indicates that we use a whole lot. Why, we are the only yellow one in the world, aren't we? We have 2 percent of the oil. We use 25 percent of the world's oil. This is a shocking picture.

“The next chart shows the concerns of some of our leading thought people in our country on the implications of this for national security. Jim Woolsey, McFarland, and Boyden Gray and 27 other prominent Americans, several Four Star retired admirals and generals among them, about 3 years ago wrote a letter to the President saying, ‘Mr. President, the fact that we have only 2 percent of the world's reserves of oil and we consume 25 percent of the world's oil and import almost two-thirds of what we use is a totally unacceptable national security exposure. We really have to do something about that.’ The President mentioned that in his State of the Union that we were addicted to oil, much of it coming from people, as he said, that don't even like us very much. And we really need to do something about that. Tragically, we have not done much about that.”....

....”With some confidence, I can tell you that the age of oil out of 8,000 years of recorded history will occupy about 300 years. As Hyman Rickover noted, this is but a blip in the long history of man. He said, “Fossil fuels resemble capital in the bank. A prudent and responsible parent will use this capital sparingly in order to pass on to his children as much as possible of his inheritance. A selfish and irresponsible parent will squander it in riotous living and care not one whit how his offspring will fare.” I have 10 kids, 16 grandkids, and two great grandkids. I am really concerned about their future relative to energy.

“Do you know what we should have done when we found this incredible wealth under the ground, a barrel of which equaled the work output of 12 people working all year? We should have stopped to ask ourselves, what can we do with this to provide the most good for the most people for the longest time? That clearly is not what we did. With no more responsibility than the kids who found the cookie jar or the hog who found the feed room door open, we have just been pigging out.”....

....”What we need, and I will close with this brief statement, what we need is a program that has a total commitment of World War II, the technology focus of putting a man on the Moon, and the urgency of the Manhattan Project. We are the most creative, innovative society in the world. We are up to the challenge. We need leadership. We can do it.”

8) From the updated and current “Peak Oil Primer” at the Energy Bulletin website (see <http://energybulletin.net/primer.php> First “Peak Oil Primer” at the Energy Bulletin was last updated February 24, 2008. Thus, an estimated beginning date for this updated and reposted “Peak Oil Primer” might be March, 2008. [Note: Since 2004, Energy Bulletin has served as a clearinghouse for information regarding sustainability, resource depletion and the peak in global energy supply. Its online archives contain several thousand articles available to the public. On January 14, 2009, Energy Bulletin was adopted as a core program by the [Post Carbon Institute](#)

“Our industrial societies and our financial systems were built on the assumption of continual growth – growth based on ever more readily available cheap fossil fuels. Oil in particular is the most convenient and multi-purposed of these fossil fuels. Oil currently accounts for about 41% of the world's total fossil fuel consumption [PDF], 33% of all global fuel consumption, and 95% of global energy used for transportation [PDF]. Oil and gas are feedstocks for plastics, paints, pharmaceuticals, fertilizers, electronic components, tyres and much more. Oil is so important that the peak will have vast implications across the realms of war and geopolitics, medicine, culture, transport and trade, economic stability and food production.”....

....“As represented in the following figure, global oil discovery peaked in the late 1960s. Since the mid-1980s, oil companies have been finding less oil than we have been consuming. Of the 65 largest oil producing countries in the world, up to 54 have passed their peak of production and are now in decline, including the USA in 1970, Indonesia in 1997, Australia in 2000, the UK in 1999, Norway in 2001, and Mexico in 2004.”....

....“To evaluate other energy sources it helps to understand the concepts of Net Energy, or the Energy Returned On Energy Invested ratio (EROEI). One of the reasons our economies have grown so abundant so quickly over the last few generations is precisely because oil has had an unprecedentedly high EROEI ratio. In the early days of oil, for every barrel of oil used for exploration and drilling, up to 100 barrels of oil were found. More recently, as oil recovery becomes more difficult, the ratio has become significantly lower. Certain alternative energy 'sources' may actually have EROEI ratios of less than one, such as many methods of industrially producing biodiesel and ethanol, or extracting oil from shale. That is, when all factors are considered, you probably need to invest more energy into the process than you get back.”....

....“Peak oil presents the potential for quite catastrophic upheavals, but ultimately also some more hopeful possibilities: a chance to address many underlying societal problems, and the opportunity return to simpler, healthier and more community oriented lifestyles.”

9) From Dr. Fatih Birol (Chief Economist and *Head of the Economic Analysis Division of the Paris-based International Energy Agency*) Interview with Astrid Schneider (Internationale Politik) Posted at www.relocalize.net “News Postings” section on May 3, 2008 (accessible at http://old.relocalize.net/fatih_birol_interview_leave_oil_before_it_leaves_us (begins with question 23 by Schneider) (confirmed April 3, 2011)

“Schneider: If I understand you correctly, you say that the demand for oil could rise 3 % globally every year, while we have to expect a decrease of 4 % in oil production in the time from now until 2015. That would be 7 % each year which are missing.

“Birol: The demand might increase a little slower. But there could be a large gap between what should be there and what actually will be there, especially if we do not put massive efforts into improving the efficiency of cars or change to other transportation systems. If we don't take measures on the consumer side, the consumption will continue to grow. And if we have not invested enough into oil production, we will flounder.

“Schneider: But when you think of the life cycle of goods, of the long investment cycles of machines, power stations or air conditioning systems: do you think an adjustment of the consumer side to a lower supply path could be done that fast?

“Birol: No, but I don't think that prices will go up that rapidly. We can see a gradual incline and that will give the people some time to adapt. But on the long run it has to be clear: if oil will be gone by 2030, or in 2040 or 2050 does not change much.

“Schneider: You really say that?

“Birol: Yes, one day it will definitely end. And I think we should leave oil before it leaves us. That should be our motto. So we should prepare for that day - through research and development on alternatives to oil, on which living standards we want to keep and what alternative ways we can find.”

10) From an article titled “The Green New Deal” by Richard Heinberg , published on the website of Energy Bulletin on October 20, 2008 (at <http://energybulletin.net/node/46934>) (see paragraph 3) (confirmed April 3, 2011)

“Peak Oil and Climate Change present threats and imperatives of a scale unprecedented in human history. By taking up these imperatives through a de-carbonized retrofit of the nation’s (and ultimately the world’s) transport, food, and manufacturing systems, policy makers can address a number of crises simultaneously—environmental decline, resource depletion, geopolitical competition for control of energy, unemployment, balance of trade deficits, malnutrition and food related health problems, and more.”

11) From article “Reflections from Colin Campbell on Peak Oil and ASPO” by Dave Bowden (On September 23, 2009 Dave Bowden video-taped Colin Campbell at his home on the southwestern coast of Ireland. Excerpts of that interview make up the article) at the Energy Bulletin website on October 19, 2009; see <http://www.energybulletin.net/node/50427>) (Excerpts from that video tape make up the article) (confirmed April 3, 2011)

[Note: “Colin J. Campbell, Ph.D. Oxford, (born in Berlin, Germany in 1931) is a retired British petroleum geologist who predicted that oil production would peak by 2007. The consequences of this are uncertain but drastic, due to the world's dependence on fossil fuels for the vast majority of its energy. His theories have received wide attention but are disputed by some in the oil industry and have not significantly changed governmental energy policies at this time.... Influential papers by Campbell include *The Coming Oil Crisis*, written with Jean Laherrère in 1998 and credited with convincing the International Energy Agency of the coming peak; and *The End of Cheap Oil*, published the same year in *Scientific American*.... The Association for the Study of Peak Oil and Gas, founded by Campbell in 2000, has been gaining recognition in the recent years. The Association has organized yearly international conferences since 2002. The most recent was in Denver, Colorado on 11-13 October 2009.” (From Wikipedia entry for Colin J. Campbell; at [http://en.wikipedia.org/wiki/Colin_Campbell_\(geologist\)](http://en.wikipedia.org/wiki/Colin_Campbell_(geologist))) (confirmed April 3,2011)

(from last exchange in the article)

“Question: What about the notion of making America energy independent?

“Campbell: It can't be done voluntarily. To make America energy-independent is not something I think any government can achieve. But within 50 years that's what nature will deliver. Countries will have to

be energy independent. They have no alternative. Some may get there quicker than others, but it's not something some government will say, well this is our plan of action. It will delivered to them by the force of nature. So America will indeed be energy independent and probably quite soon if these imports dry out. What that means and how they react to such a situation is another day's work."

12) From report "Armed Forces, Capabilities and Technologies in the 21st Century Environmental Dimensions of Security: Sub-study 1 Peak Oil--Security Policy Implications of Scarce Resources" (112 pages) The study was produced by the Future Analysis department of the Bundeswehr Transformation Center, a branch of the German military (Lead Author: Lt. Col. Thomas Will) Bundeswehr Transformation Centre Future Analysis Branch Prötzelner Chaussee 25 15344 Strausberg November 2010 www.zentrum-transformation.bundeswehr.de ztransfbwdezzukunftsanalyse@bundeswehr.org [Special Note: "The [original](#) German document (125 pgs) was approved for public release last November, yet neither the complete German version nor the partial English translation has attracted interest from mainstream media." From article "**Complete English translation of German military analysis of peak oil now available**" by Rick Munroe Published Aug 30 2011 by Energy Bulletin (see <http://energybulletin.net/stories/2011-08-30/complete-english-translation-german-military-analysis-peak-oil-now-available>) (confirmed August 31, 2011)]

- Access to complete English translation pdf file provided in "Complete English translation..." article by Rick Munroe at Energy Bulletin website

a) From Chapter 2 "The Importance of Oil"; Section 2.1 "Oil as a Determining Factor of Globalization" (p. 12, paragraphs 2 and 4)

"As the source material for various types of fuels, oil is a basic prerequisite for the transportation of large quantities of goods over long distances. Alongside information technology, container ships, trucks and aircraft form the backbone of globalisation. International division of labour, to which many countries owe their wealth, would not be possible without today's volume of cost-efficient goods transport. Oil-based mobility also significantly influences our lifestyle, both regionally and locally. For example, living in suburbs several kilometres away from their workplace would be impossible for many people without a car. To a certain extent, the classical suburb thus also owes its existence to oil."

"A considerable increase in the oil price would pose a systemic risk because the availability of relatively affordable oil is crucial for the functioning of large parts of the economic and social systems."

b) From Chapter 2 "The Importance of Oil"; Section 2.3 "Oil and Aspects of German Energy Security" (p. 20, paragraph 1)

"Table 1 shows that more than 90% of all oil imports to Germany come from countries that reach or have already exceeded their national peaks during the study's period of review. Various expert analyses assume that it is very likely that peak oil has already occurred for Russia, Norway and Great Britain, for example. These three countries alone currently supply 60% of Germany's total oil import volume."

c) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.1 “Oil as an Important Factor Shaping International Relations”; subtitle “Reshaping Supply Relationships After Global Peak Oil”; additional subtitle “Conditioned Supply Relationships and Package Deals” (p. 30, paragraph 1-3, and 5)

“In view of a decrease in production and the producing countries’ need to satisfy their own oil demands, it can be assumed that supply relationships would become increasingly selective, and thus attractive return services beyond net sales revenues would become more important as a criterion for selecting privileged recipient countries. Owing to this, the global oil market could adhere to free market rules only to a limited extent. Just as before the oil crises in the 1970s, bilateral conditioned supply relationships and privileged partnerships would once again come to the fore.”

“Buyers with the ability to submit appropriate offers or to meet the particular conditions would be in a position to undermine global market mechanisms and negotiate their own pricing and supply agreements. This situation could lead to an increase in package deals.”

“In general, goods and services that – similar to oil – strengthen the economic power of the producer countries or its possibilities to exert political influence would be particularly suitable as compensations for such package deals. Producer countries could progressively demand material and/or political trade-offs that might aid them in closing their technology gap, in overcoming their economic stagnation or, in many cases, in emerging from their political isolation. In international negotiations, for example, importing countries that are represented in relevant bodies like the UN Security Council could act as an advocate for the interests of countries that are rich in resources and influence or block relevant decision processes in their favour. Even though such ‘deals’ can be observed already, this trend might grow considerably. With regard to important oil-producing countries such as Sudan and Iran, China, for example, is already under suspicion of preventing sanctions and thus protecting the regimes in Khartoum and Tehran by its voting behaviour in the UN Security Council.”

....“Importing countries could face another challenge if ideological aspects and differences also played an increasingly important role in the choice of selective oil supplies and privileged partnerships.”

d) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Restrictions in Private and Goods Transportation” (p. 49, paragraph 2 and 3)

“Given that no sufficient alternatives on the basis of regenerative energy sources have been established for transportation, peak oil is likely to cause a substantial rise in costs and possibly huge restrictions in motorised private transportation. This would have immediate effects on the functional mechanisms and ways of life of modern industrialised societies. Sudden shortages could be eased with the use of regulatory or voluntary measures (‘mobility vouchers’, ‘car-free Sunday’ etc.). However, suburban settlement structures in industrialized countries in particular (living in the suburb - working in the city centre) hamper a rapid transformation of private transportation. If the restrictions are considerable, all economic sectors concerned – from the automobile industry through the construction business to tourism – would experience a downturn. The ‘mobility crisis’ could turn into an important new aspect of the economic crisis.”

....“A possible consequence would be bottlenecks in the supply of existentially important goods.”

e) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Upheaval in Economic Structures”

(p. 54, paragraph 1)

“...it is not possible to rule out considerable frictions on the labour market. New economic sectors, jobs and market opportunities can indeed develop in the wake of post-fossil transformation. This economic upheaval could, however, initially result in significant transformation unemployment. It is regarded as a special form of structural unemployment that can evolve as a result of profound changes in transformation countries. Most importantly, a devaluation of employees’ human capital may occur because the change in structure causes thus far fully adequate qualifications to be replaced by other qualification requirements. Depending on its scope and duration, transformation unemployment could develop into a major economic problem.”

(p. 54, paragraph 2 and Footnote #144)

“The intended transition towards a post-fossil society, however, confronts everyone with the same challenge because there are no best-practice models. Owing to the novelty of the situation there cannot be any such models yet.” (this writer’s italics)

Footnote #144: “ Most importantly in the US, there are already programmes available on a local level that deal very seriously with the preparation for peak oil. Overall, there is a trend in some population groups towards ‘resilient communities’. A very good example is a study carried out by the city of Bloomington (Indiana), <http://bloomington.in.gov/media/media/application/pdf/6239.pdf> (accessed on 13 October 2010).” (details provided on p. 266-269 in this document)

f) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Loss of Confidence Amongst Society” (p. 54, paragraph 3; p. 55, paragraph 1)

“Historical case studies reveal that only continuous improvement of individual living conditions provide the basis for tolerant and open societies. Empirical studies for the OECD region also prove that setbacks in economic growth can lead to an increase in the number of votes for extremist and nationalistic parties.”

“On the other hand, it cannot be ruled out that the people’s confidence in state institutions as well as politics would be considerably shaken. This confidence is likely to dwindle even more in societies in which it is already weak – in particular if it is becoming obvious in crisis regions that governments have in the past failed to develop suitable solution strategies and provide orientation for society during this period of transition. This personalised loss of confidence, which can express itself, for example, in ‘dressing down’ politicians, could – depending on intensity and duration – consolidate into a general and lasting crisis of confidence towards central national institutions and their ability to solve problems. A society, however, cannot survive without confidence. Sullenness with politics can give rise to lethargy or fatalism and can

increase the likelihood of growing political instability and extremism. Via indirect legitimisation chains, this national loss of confidence could also have a negative impact on the legitimisation, functionality and actionability of supranational organisations and institutions as well.”

C. The increasing world population and its implications relating to widespread resource depletion (with special focus on the increasing number of people who are consuming material goods and ecological resources indiscriminately)

[Note: For this writer’s ten point list of the most critical challenges ahead, see Appendix A.]

1) World Population Milestones

From www.infoplease.com at www.infoplease.com/ipa/A0883352.html ; and U.S. Bureau of the Census POP Clock estimate at www.census.gov/cgi-bin/ipc/popclockw) (Both confirmed April 19, 2011)

“In 1804, the world population was 1 billion.
In 1927, the world population was 2 billion (123 years later).
In 1960, the world population was 3 billion (33 years later).
In 1974, the world population was 4 billion (14 years later).
In 1987, the world population was 5 billion (13 years later).
In 1999, the world population was 6 billion (12 years later).”
“As of April 19, 2011 at 22:46 UTC (EST + 5), the world population was estimated to be 6,913,250,075.”

2) Millennium Ecosystem Assessment

a) From Washington Post article “Report on Global Ecosystems Calls for Radical Changes: Earth’s sustainability not guaranteed unless action is taken to protect resources” (Shankar Vedantam, March 30, 2005 p. A02 (see <http://www.washingtonpost.com/wp-dyn/articles/A10966-2005Mar29.html>) (paragraphs 1, 2, and 4) (confirmed April 3,2011)

“The new report collates research from many specific locales to create the first global snapshot of ecosystems. More than 1,300 authors from 95 countries participated in the Millennium Ecosystem Assessment, whose results are being made public today by the United Nations and by several private and public organizations.”

b) From the “Overview of the Millennium Ecosystem Assessment” at the Millennium Ecosystem Assessment website (see <http://www.maweb.org/en/About.aspx>) See section “What are the main findings of the MA?” (see 4 “bullet” summaries) (confirmed April 3, 2011)

“Over the past 50 years, humans have changed ecosystems more rapidly and extensively than in any comparable period of time in human history, largely to meet rapidly growing demands for food, fresh water, timber, fiber and fuel. This has resulted in a substantial and largely irreversible loss in the diversity of life on Earth.”

“The changes that have been made to ecosystems have contributed to substantial net gains in human well-being and economic development, but these gains have been achieved at growing costs in the form of the degradation of many ecosystem services, increased risks of nonlinear changes, and the exacerbation of poverty for some groups of people. These problems, unless addressed, will substantially diminish the benefits that future generations obtain from ecosystems. “

3) Excessive Depletion and Degradation of Natural Capital

From “Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication” United Nations Environment Programme 2011; from the Introduction, p. 14-15 (full report accessible at <http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/Default.aspx>) (press release dated November 16, 2011, accessible at http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER_press_16nov11_en.pdf)

“The causes of these crises vary, but at a fundamental level they all share a common feature: the gross misallocation of capital. During the last two decades, much capital was poured into property, fossil fuels and structured financial assets with embedded derivatives. However, relatively little in comparison was invested in renewable energy, energy efficiency, public transportation, sustainable agriculture, ecosystem and biodiversity protection, and land and water conservation.

“Most economic development and growth strategies encouraged rapid accumulation of physical, financial and human capital, but at the expense of excessive depletion and degradation of natural capital, which includes the endowment of natural resources and ecosystems. By depleting the world’s stock of natural wealth – often irreversibly – this pattern of development and growth has had detrimental impacts on the wellbeing of current generations and presents tremendous risks and challenges for the future. The recent multiple crises are symptomatic of this pattern.

“Existing policies and market incentives have contributed to this problem of capital misallocation because they allow businesses to run up significant, largely unaccounted for, and unchecked social and environmental externalities. To reverse such misallocation requires better public policies, including pricing and regulatory measures, to change the perverse incentives that drive this capital misallocation and ignore social and environmental externalities.”

4) Worldwide and U.S. Advertising Expenditures

a) From article “Worldwide Advertising Spending by Media” (July 22, 2009) at the website “BitBriefs” (Marketing Trends, News, Stats) (see <http://bitbriefs.amplify.com/2009/07/22/worldwide-advertisingspending-by-media/>) (Excerpt: According to the “Global Entertainment and Media Outlook 2009-2013” (PricewaterhouseCoopers) (PwC), worldwide advertising spending will reach \$421 billion in 2009.” (Also included: a Table which breaks down the spending into categories.) (confirmed April 3,2011)

Worldwide Advertising Expenditures (2009)-- \$421 billion (Total Expenditures are in U.S. Dollars)

b) From an article titled “Worldwide Internet Advertising Spending to Surpass \$106 Billion in 2011”, at the website “Marketing Charts” (at marketingcharts.com) (Excerpt in paragraph 2) (see <http://www.marketingcharts.com/television/worldwide-internet-advertising-spending-to-surpass-106-billion-in-2011-5068/>) (Confirmed April 3, 2011)

“The United States will lead the world in total advertising expenditures and online advertising expenditure with forecasts for 2011 at \$265 billion and \$45 billion.”

c) Commentary on the subject of Advertising (repeated for emphasis)

The following passages are excerpts from “People of Plenty: Economic Abundance and the American Character” by David M. Potter (first edition 1954) (p. 176-177)(partially accessible at Google Books)

“... we must realize at once that we are dealing with... one of the very limited group of institutions which... guide the life of the individual by conceiving of him in a distinctive way and encouraging him to conform as far as possible to the concept. For instance, the church, representing the force of religion, conceives of man as an immortal soul; our schools and colleges, representing the force of learning, conceive of him as a being whose behavior is guided by reason; our business and industry, representing the force of the economic free-enterprise system, conceive of him as a productive agent who can create goods or render services that are useful to mankind. Advertising, of course, is committed to none of these views and entertains them only incidentally. Representing as it does the force of a vast productive mechanism seeking outlets for an overwhelming flow of goods, it conceives of man as a consumer. Each institution is distinctive, again, in the qualities to which it appeals and in the character of the reward which it offers: the church appeals to the spirit of conscience of the individual and offers the rewards of salvation and peace of mind; learning appeals to the reason of man and offers the hope of a perfected society from which evils have been eliminated by the application of wisdom; free enterprise appeals to the energies and the capacities of man and offers the rewards of property, personal attainment, and satisfaction in the job. Advertising appeals primarily to the desires, the wants—cultivated or natural—of the individual, and it sometimes offers as its goal a power to command the envy of others by outstripping them in the consumption of goods and services.

“To pursue this parallel a step further, one may add that the traditional institutions have tried to improve man and to develop in him qualities of social value, though, of course, these values have not always been broadly conceived. The church has sought to inculcate virtue and consideration of others—the golden rule; the schools have made it their business to stimulate ability and to impart skills; the free enterprise system has constantly stressed the importance of hard work and the sinfulness of unproductive occupations. And at least two of these institutions, the church and the school, have been very self-conscious about their roles as guardians of the social values and have conducted themselves with a considerable degree of social responsibility.

“In contrast with these, advertising has in its dynamics no motivation to seek the improvement of the individual or to impart qualities of social usefulness, unless conformity to material values may be so characterized. And though it wields an immense social influence, comparable to the influence of religion and learning, it has no social goals and no social responsibility for what it does with its influence, so long as it refrains from palpable violations of truth and decency. It is this lack of institutional responsibility, this lack of inherent social purpose to balance social power, which, I would argue, is a basic cause for concern about the role of advertising. Occasional deceptions, breaches of taste, and deviations from sound ethical conduct are in a sense superficial and are not necessarily intrinsic.

Equally, high-minded types of advertising which we see more regularly than we sometimes realize are also extraneous to an analysis of the basic nature of advertising. What is basic is that advertising, as such, with all its vast power to influence values and conduct, cannot ever lose sight of the fact that it ultimately regards man as a consumer and defines its own mission as one of stimulating him to consume or to desire to consume.

“If one can justifiably say that advertising has joined the charmed circle of institutions which fix the values and standards of society and that it has done this without being linked to any of the socially defined objectives which usually guide such institutions in the use of their power, then it becomes necessary to consider with special care the extent and nature of its influence—how far it extends and in what way it makes itself felt.”

5) Ecological Footprint Analysis

From “Revisiting Carrying Capacity: Area Based Indicators of Sustainability”, by William E. Rees, 1996, (at www.dieoff.org/page110.htm) (confirmed April 3, 2011)

“Ecological Footprint—The corresponding area of productive land and aquatic ecosystems required to produce the resources used, and to assimilate the wastes produced, by a defined population at a specified material standard of living, wherever on Earth that land may be located.” (in subsection “‘Footprinting’ the Human Economy”; in Box 3 “A Family of Area-based Sustainability Indicators”)

“Cities necessarily appropriate the ecological output and life support functions of distant regions all over the world through commercial trade and the natural biogeochemical cycles of energy and material. Indeed, the annual flows of natural income required by any defined population can be called its ‘appropriated carrying capacity.’ Since for every material flow there must be a corresponding land/ecosystem source or sink, the total area of land/water required to sustain these flows on a continuous basis is the true ‘ecological footprint’ of the referent population on the Earth.” [see section “Appropriating Carrying Capacity and Ecological Footprints” (paragraph 5)]

“... as a result of high population densities, the enormous increase in per capita energy and material consumption made possible by (and required by) technology, and universally increasing dependencies on trade, the ecological locations of human settlements no longer coincide with their geographic locations. Twentieth century cities and industrial regions are dependent for survival and growth on a vast and increasingly global hinterland of ecologically productive landscapes.” [see section “Appropriating Carrying Capacity and Ecological Footprints” (paragraph 4)]

“Ecological Deficit—The level of resource consumption and waste discharge by a defined economy or population in excess of locally/regionally sustainable natural production and assimilative capacity (also, in spatial terms, the difference between that economy/population’s ecological footprint and the geographic area it actually occupies).” [see section “Appropriating Carrying Capacity and Ecological Footprints” (Box 3: “A Family of Area-Based Sustainability Indicators”)]

“....However, our analysis of physical flows shows that these and most other so-called ‘advanced’ economies are running massive, unaccounted, ecological deficits with the rest of the planet (Table 1).... These data emphasize that all the countries listed, except for Canada, are overpopulated in ecological terms—they could not sustain themselves at current material standards if forced by changing

circumstances to live on their remaining endowments of domestic natural capital. This is hardly a good model for the rest of the world to follow.” [see section “Appropriating Carrying Capacity and Ecological Footprints” (and subsection “‘Footprinting’ the Human Economy”, paragraphs 10-11)]

“Ecological Footprint Analysis supports the argument that to be sustainable, economic growth has to be much less material and energy intensive than at present.” [in subsection “Addressing the Double-Bind of Sustainability”, see “Bullet” #6]

6) Water Scarcity and the Need to Redefine Security

a) From “World on the Edge: How to Prevent Environmental and Economic Collapse” by Lester R. Brown Earth Policy Institute W.W. Norton and Company New York 2011 Accessible for free at the website of the Earth Policy Institute (see <http://www.earth-policy.org/books/wote>) (Confirmed April 19, 2011)

“Food price stability now depends on a record or near record world grain harvest every year. And climate change is not the only threat to food security. Spreading water shortages are also a huge, and perhaps even more imminent, threat to food security and political stability. Water-based “food bubbles” that artificially inflate grain production by depleting aquifers are starting to burst, and as they do, irrigation-based harvests are shrinking. The first food bubble to burst is in Saudi Arabia, where the depletion of its fossil aquifer is virtually eliminating its 3- million-ton wheat harvest. And there are at least another 17 countries with food bubbles based on overpumping.” (p. 13-14)

“We are facing issues of near-overwhelming complexity and unprecedented urgency.” (p. 15)

b) (from Press Release for “World on the Edge: How To Prevent Environmental and Economic Collapse”, at <http://www.earth-policy.org/books/wote/wotepr>) (Confirmed April 19, 2011)

“The new reality,” says Brown, “is that the world is only one poor harvest away from chaos. It is time to redefine security. The principal threats to our future are no longer armed aggression but instead climate change, population growth, water shortages, spreading hunger, and failing states. What we now need is a mobilization to reverse these trends on the scale and urgency of the U.S. mobilization for WorldWar II. The challenge is to quickly reduce carbon emissions, stabilize population, and restore the economy’s soils, aquifers, forests, and other natural support systems. This requires not only a redefining of security but a corresponding reallocation of fiscal resources from military budgets to budgets for climate stabilization, population stabilization, water conservation, and other new threats to security.”

7) The world’s oceans—an increasing rate of marine species extinction

a) From the website of the International Programme for stateoftheocean.org (on homepage of www.stateoftheocean.org) [Note: “The report summary (entitled “International Earth System expert workshop on ocean impacts and stresses”, released 21 June 2011) outlines the main findings and recommendations. **The full report will be released at a later date.**” (from <http://www.stateoftheocean.org/ipso-2011-workshop-summary.cfm>)]

“A high-level international workshop convened by IPSO met at the University of Oxford earlier this year. It was the first inter-disciplinary international meeting of marine scientists of its kind and was designed to consider the cumulative impact of multiple stressors on the ocean, including warming, acidification, and overfishing.

“The 3 day workshop, co-sponsored by the International Union for Conservation of Nature (IUCN), looked at the latest science across different disciplines.

“The 27 participants from 18 organisations in 6 countries produced a grave assessment of current threats — and a stark conclusion about future risks to marine and human life if the current trajectory of damage continues: **that the world's ocean is at high risk of entering a phase of extinction of marine species unprecedented in human history.**”

b) From the press release for the report summary “International Earth system expert workshop on ocean impacts and stresses” (see http://www.stateoftheocean.org/pdfs/1806_IPSOPR.pdf)

“An international panel of marine experts warns in a report released today that the world’s ocean is at risk of entering a phase of extinction of marine species unprecedented in human history.

“The preliminary report arises from the first ever interdisciplinary international workshop to consider the cumulative impact of all stressors affecting the ocean. Considering the latest research across all areas of marine science, the workshop examined the combined effects of pollution, acidification, ocean warming, overfishing, and hypoxia (deoxygenation).

“The scientific panel concluded that:

- The combination of stressors on the ocean is creating conditions associated with every previous major extinction of species in Earth’s history
- The speed and rate of degeneration in the ocean is far faster than anyone has predicted
- Many of the negative impacts previously identified are greater than the worst predictions
- Although difficult to assess because of the unprecedented speed of change, the first steps to globally significant extinction may have begun with a rise in the extinction threat to marine species such as reef forming corals”

8) More Ecological Footprint Analysis

a) From the website of Global Footprint Network; in section “World Footprint” (subtitle: “Do We Fit On The Planet?”); see paragraphs 1-3 at http://www.footprintnetwork.org/en/index.php/GFN/page/world_footprint/ (confirmed July 31, 2011)

“Today humanity uses the equivalent of 1.5 planets to provide the resources we use and absorb our waste. This means it now takes the Earth one year and six months to regenerate what we use in a year. Moderate UN scenarios suggest that if current population and consumption trends continue, by the 2030s, we will need the equivalent of two Earths to support us. And of course, we only have one. Turning resources into waste faster than waste can be turned back into resources puts us in global ecological overshoot, depleting the very resources on which human life and biodiversity depend.”

b) From the website of Global Footprint Network; in section “Footprint of Nations”; see paragraphs 1 and 2 at http://www.footprintnetwork.org/en/index.php/GFN/page/footprint_for_nations/ (confirmed July 31, 2011)

“Each country has its own ecological risk profile: Many are running ecological deficits, with Footprints larger than their own biological capacity. Others depend heavily on resources from elsewhere, which are under increasing pressure.

“In some areas of the world, the implications of ecological deficits can be devastating, leading to resource loss, ecosystem collapse, debt, poverty, famine and war.”

c) From the Wikipedia page “Ecological Footprint”; in the section “Overview”, see paragraph 3 (at http://en.wikipedia.org/wiki/Ecological_footprint (confirmed July 31, 2011)

“Per capita ecological footprint (EF) is a means of comparing consumption and lifestyles, and checking this against nature's ability to provide for this consumption. The tool can inform policy by examining to what extent a nation uses more (or less) than is available within its territory, or to what extent the nation's lifestyle would be replicable worldwide. The footprint can also be a useful tool to educate people about carrying capacity and over-consumption, with the aim of altering personal behavior. Ecological footprints may be used to argue that many current lifestyles are not sustainable. Such a global comparison also clearly shows the inequalities of resource use on this planet at the beginning of the twenty-first century.”

There is a Wikipedia page titled “List of Countries by Ecological Footprint” which provides a global comparison table based on 2007 data from the [Global Footprint Network](#) published in 2010. (See table at http://en.wikipedia.org/wiki/List_of_countries_by_ecological_footprint). (Note: the global comparison table does not include all countries; it contains 153 of the 185 world countries.)

d) From the website of Global Footprint Network; in section “Footprint Reports for Countries and Regions”; (see subsection “China”, paragraphs 2 at http://www.footprintnetwork.org/en/index.php/GFN/page/national_assessments/) (confirmed July 31, 2011)

“China’s Ecological Footprint has quadrupled in the last four decades, with the country now demanding more from the planet than any nation except the United States.”

9) From the blog entry “7 million—Neither Trick nor Treat” Posted October 25, 2011 by Reah Janice Kauffman at the EPI Blog (Earth Policy Institute), at <http://www.earth-policy.org/blog/>

“On October 31, Halloween to some of us, the [United Nations Population Fund](#) (UNFPA) predicts that world population will hit 7 billion....

“....According to a team of scientists led by Mathis Wackernagel, as of 2007, it takes 1.5 Earths to sustain humanity’s current level of consumption. If all 7 billion on Earth lived like an average American, we would require five planets. Clearly our collective demands far exceed the ability of our planet’s natural support systems to sustain us.

“A few other facts:

- There will be 219,000 people at the dinner table tonight who were not there last night—many of them with empty plates.
- Over the course of a year, we are adding 78 million new people, or an entire Ethiopia.
- Virtually all of the top 20 countries considered to be “failing states” are depleting their natural assets—forests, grasslands, soils, and aquifers—to sustain their rapidly growing populations. And in these countries, over 50 percent of the population lives in extreme poverty.
- Some 1.4 billion people live in extreme poverty.
- Twenty-two percent of the children in the United States—the richest nation in the world—live in poverty. One fifth are chronically hungry.
- Half the world’s people live in countries where water tables are falling as aquifers are being depleted. Since 70 percent of world water use is for irrigation, water shortages translate into food shortages.
- Over 1 billion people in the world are chronically hungry and malnourished, a number that has been increasing in recent years.

“As Brigid Fitzgerald Reading wrote in her recent piece [World Population Hitting 7 Billion](#): ‘Supporting the world’s human population will mean eliminating poverty, transitioning to an economy that is in sync with the earth, and securing every person’s health, education, and reproductive choice. If we do not voluntarily stabilize population, we risk a much less humane end to growth as the ongoing destruction of the earth’s natural systems catches up with us.’”

D. Current trends indicate that we are creating more and more “urban agglomerations” (cities with a population of more than 1 million people—more than 400), which require more and more complex and energy intensive infrastructures, where it is more and more difficult to trace the consequences of our individuals investments of time, energy, and money—and which are the least appropriate models when it comes to implementing resolutions to many of the other challenges in this ten point assessment

1) Cities in the course of history—from the UN Habitat website

Note: “The United Nations Human Settlements Programme, UN-HABITAT, is the United Nations agency for human settlements. It is mandated by the UN General Assembly to promote socially and environmentally sustainable towns and cities with the goal of providing adequate shelter for all. The main documents outlining the mandate of the organization are the Vancouver Declaration on Human Settlements, Habitat Agenda, Istanbul Declaration on Human Settlements, the Declaration on Cities and Other Human Settlements in the New Millennium, and Resolution 56/206.” (from “Overview” section of UN Habitat website, see “Mandate”, at <http://ww2.unhabitat.org/about/mandate.asp>) (confirmed July 31, 2011)

Passages below are from the “Habitat Agenda”—the main political document that came out of the the Habitat II conference in Istanbul, Turkey June 3-14, **1996**. Adopted by 171 countries, at what was called the City Summit, it contains over 100 commitments and 600 recommendations of human settlement issues. Accessible at the UN Habitat website at http://ww2.unhabitat.org/declarations/habitat_agenda.asp (confirmed July 31, 2011)

a) "The purpose of the second United Nations Conference on Human Settlements (Habitat II) is to address two themes of equal global importance: "Adequate shelter for all" and "Sustainable human settlements development in an urbanizing world." (from "Preamble", point 2)

b) "During the course of history, urbanization has been associated with economic and social progress, the promotion of literacy and education, the improvement of the general state of health, greater access to social services, and cultural, political and religious participation.... Cities and towns have been engines of growth and incubators of civilization and have facilitated the evolution of knowledge, culture and tradition, as well as of industry and commerce. Urban settlements, properly planned and managed, hold the promise for human development and the protection of the world's natural resources through their ability to support large numbers of people while limiting their impact on the natural environment." (from "Preamble", point 7)

c) "To overcome current problems and to ensure future progress in the improvement of economic, social and environmental conditions in human settlements, we must begin with a recognition of the challenges facing cities and towns.... The most serious problems confronting cities and towns and their inhabitants include inadequate financial resources, lack of employment opportunities, spreading homelessness and expansion of squatter settlements, increased poverty and a widening gap between rich and poor, growing insecurity and rising crime rates, inadequate and deteriorating building stock, services and infrastructure, lack of health and educational facilities, improper land use, insecure land tenure, rising traffic congestion, increasing pollution, lack of green spaces, inadequate water supply and sanitation, uncoordinated urban development and an increasing vulnerability to disaster." (from "Preamble", point 8)

d) "Many rural settlements, however, are facing a lack or an inadequacy of economic opportunities, especially employment, and of infrastructure and services, particularly those related to water, sanitation, health, education, communication, transportation and energy." (from "Preamble", point 9)

e) "The empowerment of women and their full and equal participation in political, social and economic life, the improvement of health and the eradication of poverty are essential to achieving sustainable human settlements." (from "Preamble", point 15)

2) Rapid Urbanization in the Past 200 years

From website of Population Reference Bureau-- see <http://www.prb.org/Educators/TeachersGuides/HumanPopulation/Urbanization.aspx>)
(see paragraphs one and two) (confirmed April 3, 2011)

"In 1800, only 3 percent of the world's population lived in urban areas."

"By 1900, almost 14 percent were urbanites, although only 12 cities had 1 million or more inhabitants."

"In 1950, 30% of the world's population resided in urban centers. The number of cities with over 1 million people had grown to 83."

"In 2008, for the first time, the world's population was evenly split between urban and rural areas. There were more than 400 cities over 1 million and 19 over 10 million."

3) Definitions and 25 Largest Cities

a) From a coursework module titled “Urbanization and Global Change” (dated 1/4/06) (at http://www.globalchange.umich.edu/globalchange2/current/lectures/urban_gc/) Coursework associated with the Global Change Curriculum and Degree Program at the Univ of Michigan, Ann Arbor; specifically, with two three semester sequences which are a part of a “Global Change Minor”—one of the sequences being “Global Change 2—Human Impacts” (see lecture schedule here <http://www.globalchange.umich.edu/globalchange2/current/lectures/index.html>)

“The United Nations defines settlements of over 20,000 as *urban*, and those with more than 100,000 as *cities*. The United States defines an urbanized area as a city and surrounding area, with a minimum population of 50,000. A *metropolitan* area includes both urban areas and rural areas that are socially and economically integrated with a particular city.”

b) 25 Largest Cities

From the Wikipedia page for “Megacity” (at <http://en.wikipedia.org/wiki/Megacity>) (Wikipedia Source: [Th. Brinkhoff: The Principal Agglomerations of the World, 2011-07-01](#))

1. Toyko, Japan	34,300,000
2. Guangzhou, China	25,200,000
3. Seoul, South Korea	25,100,000
4. Shanghai, China	24,800,000
5. Delhi, India	23,300,000
6. Mumbai, India	23,000,000
7. Mexico City, Mexico	22,900,000
8. New York, USA	22,000,000
9. Sao Paulo, Brazil	20,900,000
10. Manila, Philippines	20,300,000
11. Jakarta, Indonesia	18,900,000
12. Los Angeles, USA	18,100,000
13. Karachi, Pakistan	17,000,000
14. Osaka, Japan	16,700,000
15. Kolkata, India	16,600,000
16. Cairo, Egypt	15,300,000
17. Buenos Aires, Argentina	14,800,000
18. Moscow, Russia	14,800,000
19. Dhaka, Bangladesh	14,000,000
20. Beijing, China	13,900,000
21. Tehran, Iran	13,100,000
22. Istanbul, Turkey	13,000,000
23. London, UK	12,500,000
24. Rio de Janeiro, Brazil	12,500,000
25. Lagos, Nigeria	12,100,000

4) Causes of Rapid Urbanization

a) From the Wikipedia page for “Urbanization” (at <http://en.wikipedia.org/wiki/Urbanization>) (see “Causes” section)

“People move into cities to seek economic opportunities. A major contributing factor is known as “rural flight”. In rural areas, often on small family farms, it is difficult to improve one’s standard of living beyond basic sustenance. Farm living is dependent on unpredictable environmental conditions, and in times of drought, flood or pestilence, survival becomes extremely problematic. In modern times ,industrialization of agriculture has negatively affected the economy of small and middle-sized farms and strongly reduced the size of the rural labor market.

“Cities, in contrast, are known to be places where money, services and wealth are centralized. Cities are where fortunes are made and where social mobility is possible. Businesses, which generate jobs and capital, are usually located in urban areas. Whether the source is trade or tourism, it is also through the cities that foreign money flows into a country. It is easy to see why someone living on a farm might wish to take their chance moving to the city and trying to make enough money to send back home to their struggling family.

“There are better basic services as well as other specialist services that aren’t found in rural areas. There are more job opportunities and a greater variety of jobs. Health is another major factor. People, especially the elderly are often forced to move to cities where there are doctors and hospitals that can cater for their health needs. Other factors include a greater variety of entertainment (restaurants, movie theaters, theme parks, etc.) and a better quality of education, namely universities. Due to their high populations, urban areas can also have much more diverse social communities allowing others to find people like them when they might not be able to in rural areas.

“These conditions are heightened during times of change from a pre-industrial society to an industrial one. It is at this time that many new commercial enterprises are made possible, thus creating new jobs in cities. It is also a result of industrialization that farms become more mechanized, putting many labourers out of work. This is currently occurring fastest in India.”

b) From a coursework module titled “Urbanization and Global Change” (dated 1/4/06) (at http://www.globalchange.umich.edu/globalchange2/current/lectures/urban_gc/) Coursework associated with the Global Change Curriculum and Degree Program at the Univ of Michigan, Ann Arbor; specifically, with two three semester sequences which are a part of a “Global Change Minor”—one of the sequences being “Global Change 2—Human Impacts” (see lecture schedule here <http://www.globalchange.umich.edu/globalchange2/current/lectures/index.html>) (see Section “Why is the urban population increasing so fast?”)

“In general, cities are perceived as places where one could have a better life, because of better opportunities, higher salaries, better services, and better lifestyles. The perceived better conditions attract poor people from rural areas.

“In order to better illustrate the causes of rural migration, we will consider policies that have led to migration in many developing countries. In order to pay foreign debt and to be more competitive in international markets, national governments have encouraged the export of national resources and agricultural products. Agricultural products (sugar, flowers, coffee, etc.), and primary-sector goods

(timber, fish, minerals, etc) become natural resource capital that can be traded to bolster the national economy. In order to produce agricultural products quickly, efficiently, and for a decent prize, national governments often look to decrease the number of small producers, and turn agricultural production and resource extraction over to larger enterprises, with larger production facilities, and a lower per-unit cost of production. This trend turns land into a commodity, that can be bought and sold, and it is viewed only in terms of its productive capabilities. Free market economics pursues economic efficiency to deliver goods at the lowest possible price, and its advocates maintain that any government intervention diminishes this efficiency. Consequently, they seek to eliminate farm programs such as farm subsidies, cheap credit policies, etc. intended to help the farmer, and to maintain stable prices. This scenario leaves farmers to shoulder the burden of farming, sometimes with no alternative but to sell their land to a foreign investor or a domestic-owned enterprise, and move to the cities, where the farmer hopes to have a better life.

“Other policies reinforce the above scenario. In this case, in order to boost the production of cheaper goods, governments have maintained artificially low food prices in urban areas. The strategy here is to maintain urban food prices below market levels to reduce the cost of urban labor and urban life. This policy has resulted in inadequate compensation of rural producers for the costs they incur to produce food products and thus have aggravated rural poverty. On the other hand, these policies have also made city life more attractive and pulled them from rural areas. As a result of these policies, an average of 270,000 rural migrants have been arriving in Mexico City annually over the last ten years, transforming it into one of the largest cities in the world.”

c) From article “Why rural India is shunning farms, moving to jobs in town”, in Hindustani Times on July 31, 2011 (at <http://www.hindustantimes.com/India-news/NewDelhi/Why-rural-India-is-shunning-farms-moving-to-jobs-in-towns/Article1-727596.aspx>)

“Ankur Sharma (23), who works with the village bank, says the aspirations of the region’s youth are rising. ‘Farming alone cannot suffice to the needs of present youth who demand better education and high-profile jobs in cities.’”

d) From a coursework module titled “Urbanization and Global Change” (dated 1/4/06) (at http://www.globalchange.umich.edu/globalchange2/current/lectures/urban_gc/) Coursework associated with the Global Change Curriculum and Degree Program at the Univ of Michigan, Ann Arbor; specifically, with two three semester sequences which are a part of a “Global Change Minor”—one of the sequences being “Global Change 2—Human Impacts” (see lecture schedule here <http://www.globalchange.umich.edu/globalchange2/current/lectures/index.html>) (see Section “What are the problems associated with rapid urban growth?”)

“In Mexico City (950 square miles), as in many other megacities in the developing world, urban sprawl exists as nearly 40% of city dwellers live in the urban periphery in poverty and environmental degradation. These high density settlements are often highly polluted owing to the lack of urban services, including running water, trash pickup, electricity or paved roads. Nevertheless, cities provide poor people with more opportunities and greater access to resources to transform their situation than rural areas.”

e) From “Plan B 4.0: Mobilization to Save Civilization” by Lester R. Brown (Earth Policy Institute) (see Chapter 6 “Designing Cities for People: The Ecology of Cities”—accessible at http://www.earth-policy.org/books/pb4/PB4ch6_ss2) (first paragraph)

“The evolution of modern cities was tied to advances in transport, initially for ships and trains. **But it was the internal combustion engine combined with cheap oil that provided mobility for people and freight that fueled the phenomenal urban growth of the twentieth century.**”

5) Problems Associated with Current Urbanization Trend

a) Urban Poverty and Urban Slums

i) From a coursework module titled “Urbanization and Global Change” (dated 1/4/06) (at http://www.globalchange.umich.edu/globalchange2/current/lectures/urban_gc/) Coursework associated with the Global Change Curriculum and Degree Program at the Univ of Michigan, Ann Arbor; specifically, with two three semester sequences which are a part of a “Global Change Minor”—one of the sequences being “Global Change 2—Human Impacts” (see lecture schedule here <http://www.globalchange.umich.edu/globalchange2/current/lectures/index.html>) (see Section “What are the problems associated with rapid urban growth?”)

“During the 19th and early 20th centuries, urbanization resulted from and contributed to industrialization. New job opportunities in the cities motivated the mass movement of surplus population away from the countryside. At the same time, migrants provided cheap, plentiful labor for the emerging factories. Today, due to movements such as globalization, the circumstances are similar in developing countries. Here the concentration of investments in cities attracts large numbers of migrants looking for employment, thereby creating a large surplus labor force, which keeps wages low. This situation is attractive to foreign investment companies from developed countries who can produce goods for far less than if the goods were produced where wages are higher. Thus, one might wonder if urban poverty serves a distinct function for the benefit of global capital.”

ii) From “Financing Urban Shelters: Global Report on Human Settlements **2005**” (see article “Sustainable Urbanisation: A Shack by Any Standards”) at http://www.unhabitat.org/documents/media_centre/ghs/GRHS05F3.pdf (confirmed July 31, 2011)

“A shack, about 2 metres long and 2 metres wide, is home to a family composed of husband, wife and four children. It is just one of 7700 such shacks in a street behind the residential area in Delhi....” (from paragraph 2)

“The circumstances described above are very similar to those experienced by the vast majority of the more than 900 million slum dwellers all over the world, whose adult members often hold jobs or rely upon some kind of regular revenue generating activity. In the developed world, a household with two sources of income, wife and husband, however humble the occupation or the source of income may be, normally can gain access to decent shelter on the market, however modest.” (from paragraph 4)

iii) From a coursework module titled “Urbanization and Global Change” (dated 1/4/06) (at http://www.globalchange.umich.edu/globalchange2/current/lectures/urban_gc/) Coursework associated with the Global Change Curriculum and Degree Program at the Univ of Michigan, Ann Arbor;

specifically, with two three semester sequences which are a part of a “Global Change Minor”—one of the sequences being “Global Change 2—Human Impacts” (see lecture schedule here <http://www.globalchange.umich.edu/globalchange2/current/lectures/index.html>) (see Section “What are the problems associated with rapid urban growth?”) (repeated for emphasis)

“In Mexico City (950 square miles), as in many other megacities in the developing world, urban sprawl exists as nearly 40% of city dwellers live in the urban periphery in poverty and environmental degradation. These high density settlements are often highly polluted owing to the lack of urban services, including running water, trash pickup, electricity or paved roads. Nevertheless, cities provide poor people with more opportunities and greater access to resources to transform their situation than rural areas.”

b) The Global Warming Factor

From “Global Report on Human Settlements **2011**: Cities and Climate Change” (see “Introduction” by Dr Joan Clos Under-Secretary-General and Executive Director United Nations Human Settlements Programme (UN-Habitat) (at <http://www.unhabitat.org/downloads/docs/GRHS2011/ED2011.pdf>) (confirmed July 31, 2011)

“An important finding of the Report is that the proportion of human-induced (or anthropogenic) greenhouse gas (GHG) emissions resulting from cities could be between 40 and 70 per cent, using production-based figures (i.e. figures calculated by adding up GHG emissions from entities located within cities). *This is in comparison with as high as 60 to 70 per cent if a consumption-based method is used (i.e. figures calculated by adding up GHG emissions resulting from the production of all goods consumed by urban residents, irrespective of the geographic location of the production* (this writer’s italics). The main sources of GHG emissions from urban areas are related to the consumption of fossil fuels. They include energy supply for electricity generation (mainly from coal, gas and oil); transportation; energy use in commercial and residential buildings for lighting, cooking, space heating, and cooling; industrial production; and waste. (from paragraph 4)

“However, the Report concludes that it is impossible to make accurate statements about the scale of urban emissions, as there is no globally accepted method for determining their magnitude. In addition, the vast majority of the world’s urban centres have not attempted to conduct GHG emission inventories.” (from paragraph 5) (this writer’s extra emphasis)

c) Ecological Footprint Analysis

i) From “Revisiting Carrying Capacity: Area Based Indicators of Sustainability”, by William E. Rees, 1996, (at www.dieoff.org/page110.htm) (confirmed April 3, 2011)

“Ecological Footprint—The corresponding area of productive land and aquatic ecosystems required to produce the resources used, and to assimilate the wastes produced, by a defined population at a specified material standard of living, wherever on Earth that land may be located.” (in subsection “‘Footprinting’ the Human Economy”; in Box 3 “A Family of Area-based Sustainability Indicators”)

“Cities necessarily appropriate the ecological output and life support functions of distant regions all over the world through commercial trade and the natural biogeochemical cycles of energy and material. Indeed, the annual flows of natural income required by any defined population can be called its

‘appropriated carrying capacity.’ Since for every material flow there must be a corresponding land/ecosystem source or sink, the total area of land/water required to sustain these flows on a continuous basis is the true ‘ecological footprint’ of the referent population on the Earth.” [see section “Appropriating Carrying Capacity and Ecological Footprints” (paragraph 5)]

“... as a result of high population densities, the enormous increase in per capita energy and material consumption made possible by (and required by) technology, and universally increasing dependencies on trade, the ecological locations of human settlements no longer coincide with their geographic locations. Twentieth century cities and industrial regions are dependent for survival and growth on a vast and increasingly global hinterland of ecologically productive landscapes.” [see section “Appropriating Carrying Capacity and Ecological Footprints” (paragraph 4)]

“Ecological Deficit—The level of resource consumption and waste discharge by a defined economy or population in excess of locally/regionally sustainable natural production and assimilative capacity (also, in spatial terms, the difference between that economy/population’s ecological footprint and the geographic area it actually occupies).” [see section “Appropriating Carrying Capacity and Ecological Footprints” (Box 3: “A Family of Area-Based Sustainability Indicators”)]

“....However, our analysis of physical flows shows that these and most other so-called ‘advanced’ economies are running massive, unaccounted, ecological deficits with the rest of the planet (Table 1).... These data emphasize that all the countries listed, except for Canada, are overpopulated in ecological terms—they could not sustain themselves at current material standards if forced by changing circumstances to live on their remaining endowments of domestic natural capital. This is hardly a good model for the rest of the world to follow.” [see section “Appropriating Carrying Capacity and Ecological Footprints” (and subsection “‘Footprinting’ the Human Economy”, paragraphs 10-11)]

“Ecological Footprint Analysis supports the argument that to be sustainable, economic growth has to be much less material and energy intensive than at present.” [in subsection “Addressing the Double-Bind of Sustainability”, see “Bullet” #6]

ii) From “Plan B 4.0: Mobilization to Save Civilization” by Lester R. Brown (Earth Policy Institute) (see Chapter 6 “Designing Cities for People: The Ecology of Cities”—accessible at http://www.earth-policy.org/books/pb4/PB4ch6_ss2) (paragraphs 2-5)

“Cities require a concentration of food, water, energy, and materials that nature cannot provide. Collecting these masses of materials and later dispersing them in the form of garbage, sewage, and pollutants in air and water is challenging city managers everywhere.

“Early cities relied on food and water from the surrounding countryside, but today cities often depend on distant sources for basic amenities. Los Angeles, for example, draws much of its water from the Colorado River, some 600 miles away. Mexico City’s burgeoning population, living at an altitude of over 9,000 feet, depends on the costly pumping of water from 100 miles away that must be lifted over 3,000 feet to augment inadequate water supplies. Beijing is planning to draw water from the Yangtze River basin some 800 miles away.

“Food comes from even greater distances, as illustrated by Tokyo. While the city still gets its rice from the highly productive farmers in Japan, with their land carefully protected by government policy, its wheat comes largely from the Great Plains of North America and from Australia. Its corn supply comes

largely from the U.S. Midwest. Soybeans come from the U.S. Midwest and the Brazilian *cerrado*.

“The oil used to move resources into and out of cities often comes from distant oil fields. Rising oil prices will affect cities, but they will affect even more the suburbs that surround them. The growing scarcity of water and the high energy cost of transporting it over long distances may begin to constrain the growth of some cities.”

iii) From Press Release (August 13, 2002) “Londoners Running Up Massive Debt on Earth’s Resources” at www.citylimitslondon.com/city_limits_press_release.htm (see paragraphs 2, 6, and 8) (Confirmed June 8, 2008)

“The City Limits Report reveals each Londoner has an ecological footprint of 6.63 global hectares.... The current calculation for a sustainable footprint is 2.18 global hectares.”

“Paper and plastics are the biggest hitters in the material and wastes footprint. Paper’s large contribution is accounted for partly by the large quantities Londoners use, 2,908,000 tonnes (per year).... Londoners consume less plastic than paper—691,000 tonnes (per year)—but because it is derived from fossil fuel and very little is currently re-cycled, plastic makes up a large part of the average Londoner’s footprint.”

“Forty one per cent of the Ecological Footprint (2.80 gha) is accounted for by the food Londoners eat.... In total, London consumes 6.9 million tones of food (per year), more than three quarters of which is imported. London throws away 560,000 tonnes of food (per year) as waste.”

“London throws away 560,000 tonnes of food (per year) as waste.”]

d) Transport in an era of rising oil prices

From report “Armed Forces, Capabilities and Technologies in the 21st Century Environmental Dimensions of Security: Sub-study 1 Peak Oil--Security Policy Implications of Scarce Resources” (112 pages) The study was produced by the Future Analysis department of the Bundeswehr Transformation Center, a branch of the German military (Lead Author: Lt. Col. Thomas Will) Bundeswehr Transformation Centre Future Analysis Branch Prötzelner Chaussee 25 15344 Strausberg November 2010 www.zentrum-transformation.bundeswehr.de ztransfbwdezzukunftsanalyse@bundeswehr.org [Special Note: “The [original](#) German document (125 pgs) was approved for public release last November, yet neither the complete German version nor the partial English translation has attracted interest from mainstream media.” From article “**Complete English translation of German military analysis of peak oil now available**” by Rick Munroe Published Aug 30 2011 by Energy Bulletin (see <http://energybulletin.net/stories/2011-08-30/complete-english-translation-german-military-analysis-peak-oil-now-available>) (confirmed August 31, 2011)]

- Access to complete English translation pdf file provided in “Complete English translation...” article by Rick Munroe at Energy Bulletin website

i) From Chapter 2 “The Importance of Oil”; Section 2.1 “Oil as a Determining Factor of Globalization” (p. 12, paragraphs 2 and 4)

“As the source material for various types of fuels, oil is a basic prerequisite for the transportation of large quantities of goods over long distances. Alongside information technology, container ships, trucks and aircraft form the backbone of globalisation. International division of labour, to which many countries owe their wealth, would not be possible without today’s volume of cost-efficient goods transport. Oil-based mobility also significantly influences our lifestyle, both regionally and locally. For example, living in suburbs several kilometres away from their workplace would be impossible for many people without a car. To a certain extent, the classical suburb thus also owes its existence to oil.”

“A considerable increase in the oil price would pose a systemic risk because the availability of relatively affordable oil is crucial for the functioning of large parts of the economic and social systems.”

ii) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Restrictions in Private and Goods Transportation” (p. 49, paragraph 2 and 3)

“Given that no sufficient alternatives on the basis of regenerative energy sources have been established for transportation, peak oil is likely to cause a substantial rise in costs and possibly huge restrictions in motorised private transportation. This would have immediate effects on the functional mechanisms and ways of life of modern industrialised societies. Sudden shortages could be eased with the use of regulatory or voluntary measures (‘mobility vouchers’, ‘car-free Sunday’ etc.). However, suburban settlement structures in industrialized countries in particular (living in the suburb - working in the city centre) hamper a rapid transformation of private transportation. If the restrictions are considerable, all economic sectors concerned – from the automobile industry through the construction business to tourism – would experience a downturn. *The ‘mobility crisis’ could turn into an important new aspect of the economic crisis.*”....

...“A possible consequence would be bottlenecks in the supply of existentially important goods.”

e) Failing Infrastructures

From Press Release titled “Failing Infrastructure Cannot Support A Healthy Economy: Civil Engineers’ New Report Card Assesses Condition of Nation’s Infrastructure” (subject: the **2009** ASCE Report Card on America’s Infrastructure) From the website of the American Society of Civil Engineers (paragraph 1) (at http://apps.asce.org/reportcard/2009/RC_2009_noembargo.pdf (confirmed April 3, 2011)

“Decades of underfunding and inattention have jeopardized the ability of our nation’s infrastructure to support our economy and facilitate our way of life. The American Society of Civil Engineers (ASCE) today released its 2009 *Report Card for America’s Infrastructure*—assigning a cumulative grade of D to the nation’s infrastructure and noting a five year investment need of \$2.2 trillion from all levels of government and the private sector. Since ASCE’s last assessment in 2005 there has been little change in the condition of the nation’s roads, bridges, drinking water systems and other public works, and the cost of improvement has increased by more than half a trillion dollars.”

f) Food Crisis and Water Scarcity

i) From “World on the Edge: How to Prevent Environmental and Economic Collapse” by Lester R. Brown Earth Policy Institute W.W. Norton and Company New York 2011 Accessible for free at the website of the Earth Policy Institute (see <http://www.earth-policy.org/books/wote>) (Confirmed April 19, 2011)

--From Press Release for “World on the Edge”, at <http://www.earth-policy.org/books/wote/wotepr>) (Confirmed April 19, 2011)

“The new reality,” says Brown, “is that the world is only one poor harvest away from chaos. It is time to redefine security. The principal threats to our future are no longer armed aggression but instead climate change, population growth, water shortages, spreading hunger, and failing states. What we now need is a mobilization to reverse these trends on the scale and urgency of the U.S. mobilization for WorldWar II. The challenge is to quickly reduce carbon emissions, stabilize population, and restore the economy’s soils, aquifers, forests, and other natural support systems. This requires not only a redefining of security but a corresponding reallocation of fiscal resources from military budgets to budgets for climate stabilization, population stabilization, water conservation, and other new threats to security.”

--From “World on the Edge: How to Prevent Environmental and Economic Collapse” by Lester R. Brown Earth Policy Institute (Chapter 1 “On the Edge)(p. 13-14)

“Food price stability now depends on a record or near record world grain harvest every year. And climate change is not the only threat to food security. Spreading water shortages are also a huge, and perhaps even more imminent, threat to food security and political stability. Water-based “food bubbles” that artificially inflate grain production by depleting aquifers are starting to burst, and as they do, irrigation-based harvests are shrinking. The first food bubble to burst is in Saudi Arabia, where the depletion of its fossil aquifer is virtually eliminating its 3- million-ton wheat harvest. And there are at least another 17 countries with food bubbles based on overpumping.”

--From “World on the Edge: How to Prevent Environmental and Economic Collapse” by Lester R. Brown Earth Policy Institute (Chapter 2 “Falling Water Tables and Shrinking Harvests”) (p. 21-23)

“The Arab oil-export embargo of the 1970s affected more than just the oil flowing from the Middle East. The Saudis realized that since they were heavily dependent on imported grain, they were vulnerable to a grain counterembargo. Using oil-drilling technology, they tapped into an aquifer far below the desert to produce irrigated wheat. In a matter of years, Saudi Arabia was self-sufficient in wheat, its principal staple food.

“But after more than 20 years of wheat self-sufficiency, the Saudis announced in January 2008 that this aquifer was largely depleted and they would be phasing out wheat production. Between 2007 and 2010, the wheat harvest of nearly 3 million tons dropped by more than two thirds. At this rate the Saudis will harvest their last wheat crop in 2012 and then will be totally dependent on imported grain to feed nearly 30 million people. The unusually rapid phaseout of wheat farming in Saudi Arabia is due to two factors. First, in this arid country there is little farming without irrigation. Second, irrigation there depends almost entirely on a fossil aquifer, which unlike most aquifers does not recharge naturally from rainfall. The desalted sea water Saudi Arabia uses to supply its cities is far too costly for irrigation use.

“Saudi Arabia’s growing food insecurity has even led it to buy or lease land in several other countries, including two of the world’s hungriest, Ethiopia and Sudan. In effect, the Saudis are planning to produce food for themselves with the land and water resources of other countries. In neighboring Yemen, replenishable aquifers are being pumped well beyond the rate of recharge, and the deeper fossil aquifers are also being rapidly depleted. As a result, water tables are falling throughout Yemen by some 2 meters per year. In the capital, Sana’a—home to 2 million people—tap water is available only once every 4 days; in Taiz, a smaller city to the south, it is once every 20 days.

“Yemen, with one of the world’s fastest-growing populations, is becoming a hydrological basket case. With water tables falling, the grain harvest has shrunk by one third over the last 40 years, while demand has continued its steady rise. As a result, the Yemenis now import more than 80 percent of their grain. With its meager oil exports falling, with no industry to speak of, and with nearly 60 percent of its children stunted and chronically undernourished, this poorest of the Arab countries is facing a bleak future.

“The likely result of the depletion of Yemen’s aquifers—which will lead to further shrinkage of its harvest and spreading hunger and thirst—is social collapse. Already a failing state, it may well devolve into a group of tribal fiefdoms, warring over whatever meager water resources remain. Yemen’s internal conflicts could spill over its long, unguarded border with Saudi Arabia.

“These two countries represent extreme cases, but many other countries also face dangerous water shortages. The world is incurring a vast water deficit—one that is largely invisible, historically recent, and growing fast. Half the world’s people live in countries where water tables are falling as aquifers are being depleted. And since 70 percent of world water use is for irrigation, water shortages can quickly translate into food shortages.

“The global water deficit is a product of the tripling of water demand over the last half-century coupled with the worldwide spread of powerful diesel and electrically driven pumps. Only since the advent of these pumps have farmers had the pumping capacity to pull water out of aquifers faster than it is replaced by precipitation.

“As the world demand for food has soared, millions of farmers have drilled irrigation wells to expand their harvests. In the absence of government controls, far too many wells have been drilled. As a result, water tables are falling and wells are going dry in some 20 countries, including China, India, and the United States—the three countries that together produce half the world’s grain.

“The overpumping of aquifers for irrigation temporarily inflates food production, creating a food production bubble, one that bursts when the aquifer is depleted. Since 40 percent of the world grain harvest comes from irrigated land, the potential shrinkage of the supply of irrigation water is of great concern. Among the big three grain producers, roughly a fifth of the U.S. grain harvest comes from irrigated land. For India, the figure is three fifths and for China, roughly four fifths.

“There are two sources of irrigation water: underground water and surface water. Most underground water comes from aquifers that are regularly replenished with rainfall; these can be pumped indefinitely as long as water extraction does not exceed recharge. But a distinct minority of aquifers are fossil aquifers—containing water put down eons ago. Since these do not recharge, irrigation ends whenever they are pumped dry. Among the more prominent fossil aquifers are the Ogallala underlying the U.S. Great Plains, the Saudi one described earlier, and the deep aquifer under the North China Plain.”

--From "World on the Edge: How to Prevent Environmental and Economic Collapse" by Lester R. Brown Earth Policy Institute (Chapter 2 "Falling Water Tables and Shrinking Harvests") (p. 32)

"Today more than half of the world's people live in countries with food bubbles. The question for each of these countries is not whether its bubble will burst, but when—and how the government will cope with it. Will governments be able to import grain to offset production losses? For some countries, the bursting of the bubble may well be catastrophic. For the world as a whole, the near-simultaneous bursting of several national food bubbles as aquifers are depleted could create unmanageable food shortages.

"This situation poses an imminent threat to food security and political stability. We have a choice to make. We can continue with overpumping as usual and suffer the consequences. Or we can launch a worldwide effort to stabilize aquifers by raising water productivity—patterning the campaign on the highly successful effort to raise grainland productivity that was launched a half-century ago."

[Note: A more condensed summary of the "World on the Edge" (Chapter 2 "Falling Water Tables and Shrinking Harvests) can be found at the following link:

From "Plan B 4.0: Mobilization to Save Civilization" by Lester R. Brown (Earth Policy Institute) (see Chapter 2 "Population Pressure: Land and Water: Water Tables Falling"—accessible at http://www.earth-policy.org/books/pb4/PB4ch2_ss3) (first paragraph)

g) No controversy over economics education

The following passages are excerpts from the article "Moral Disagreement, Moral Education, Common Ground" by Warren A. Nord in "Making Good Citizens: Education and Civil Society" Edited by Diane Ravitch and Joseph P. Viteritti Yale University Press 2003 (excerpts below accessible at Google Books) (confirmed April 3,2011)

"It is a little surprising that there has been no controversy over economics education, because economics is, in our culture, deeply controversial, often on moral and religious grounds..... A part of the problem is what the texts and the new national standards leave out. They say little about poverty, especially as a moral or spiritual problem. They are usually silent about the moral relation of the First and Third Worlds. They typically ignore the effects of economics and technology on the environment. They are oblivious to the moral and spiritual problems of consumer culture. They ask no questions about dehumanizing work. They emphasize the important of the profit motive and competition, but say nothing about the possibility of excess profits or the possible costs of competition...." (p. 159)

"(Furthermore)... the economics world (is) defined in terms of competition of self-interested individuals with unlimited wants for scarce resources.... (and) decisions should be made according to cost-benefit analyses that maximize whatever it is that we value and leave no room in the equation for duties, the sacred, or those dimensions of life that aren't quantifiable. Economics is one thing; morality is, quite clearly, another." (p. 160)

h) “...you have to ask yourself some very fundamental questions...”

Commentary from Richard Ravitch (former Lt. Gov., New York) from a video accessible at [cspan.org](http://www.cspanvideo.org/videolibrary/event.php?id=187736&timeline). Program was titled “Urban Institute: Challenges for New Governors: Budgets and Employment” (date of program: November 2, 2010) (timing of excerpts included at end of excerpts, video at <http://www.cspanvideo.org/videolibrary/event.php?id=187736&timeline>)

“If you believe the rate of growth of our economy is going to be what it was in the prior two decades, then there is arguably some justification for kicking the can forward and using borrowed money to cover today’s expenses. If you don’t believe that growth rate is going to be that great, then you have to ask yourself some very fundamental questions.... it requires questioning every assumption you’ve ever made about what is good and worthy in public expenditures (ending at 48.16)...(and)... you have to question whether or not everyone, everyone is this whole economic system, isn’t going to have to—to use the vernacular—put some “skin in the game” to avoid a real catastrophe for our federal system.” (ending at 48.40)

We have to make some very, very touch choices in this society, the likes of which we’ve never had to make before... because austerity is now so compelling a fact in every micro decision that government makes.... I can’t begin to tell you how this process is going to work out, but I can tell you if it doesn’t there’s going to be some terrible things happening—because at some point somebody’s going to run out of cash.” (ending at 1:21.52)

i) Kumarappa

“... every article in the bazaar has moral and spiritual values attached to it... hence it behooves us to enquire into the antecedents of every article we buy.... (Yet this) is an arduous task, and it becomes almost impossible for ordinary persons to undertake it when the article comes from far off countries. Therefore, it is that we have to restrict our purchase to articles made within our cognizance. This is the moral basis of Swadeshi.” (p. 72-73)

“If the goods come from a source which may be tainted with exploitation (either of sweat labor or of the political, financial, or economic hold over other nations, or classes, or races) then the buyer of such goods will be party to such exploitation, just as the person who buys stolen articles... creates a market for stolen goods.... Therefore, anyone who buys good indiscriminately is not discharging his/her full responsibility....We cannot absolve ourselves of all blame by merely pleading ignorance in regard to the source.” (p.78)

“Are we prepared to shoulder this grave responsibility and pander to our palate or shall we content ourselves with a cup of nutritious milk drawn from a well kept cow at our door? These considerations are not far-fetched but actual. Anyone who looks on life seriously and as a trustee cannot afford to ignore these far-reaching consequences of his/her actions.” (p. 78-79)

“If we feel it is beyond us to guarantee the concomitant results of all our transactions, it necessarily follows that we must limit our transactions to a circle well within our control. This is the bed rock of swadeshi... The smaller the circumference, the more accurately can we gauge the results of our actions, and (the) more conscientiously shall we be able to fulfill our obligations as trustees.” (p.79)

“A business transaction does not begin and end with the transfer of goods and payment of money; in addition, it involves the consideration of one’s duties to one’s fellow men.” (p.155)

“We do not live unto ourselves, and the more we realize the repercussions of our actions on our neighbors and strive to act according to the highest we are capable of, the more shall we advance in our spiritual development.” (p.73)

k) Mahatma Gandhi from “Gandhi’s Swadeshi: The Economics of Permanence” by Satish Kumar at <http://squat.net/caravan/ICC-en/Krrs-en/ghandi-econ-en.htm> (see Paragraph 13 in section “Principles of Swadeshi”) (Confirmed June 11, 2008)

“Beyond a certain limit, economic growth becomes detrimental to human well-being. The modern worldview is that the more material goods you have, the better your life will be. But Gandhi said, “A certain degree of physical comfort is necessary but above a certain level it becomes a hindrance instead of a help; therefore the ideal of creating an unlimited number of wants and satisfying them, seems to be a delusion and a trap. The satisfaction of one’s physical needs must come at a certain point to a dead stop before it degenerates into physical decadence.”

7) Farming Trends

a) % of Total Labor Force working as Farmers, U.S., 1790-1990

[from “A History of American Agriculture 1776-1990 (Farmers and the Land)” (statistics extracted from historical timeline which included them) (first accessed at the website of the United States Department of Agriculture, in August, 2001) (currently accessible at www.about.com, in the section titled “Inventors”-- web address <http://inventors.about.com/library/inventors/blfarm4.htm>)] (confirmed July 31, 2011)

1790—Farmers made up about 90% of labor force

1840—Farmers made up about 69% of labor force

1850—Farmers made up about 64% of labor force

1860—Farmers made up about 58% of labor force

1870—Farmers made up about 53% of labor force

1880—Farmers made up about 49% of labor force

1890—Farmers made up about 43% of labor force

1900—Farmers made up about 38% of labor force

1910—Farmers made up about 31% of labor force

1920—Farmers made up about 27% of labor force

1930—Farmers made up about 21% of labor force

1940—Farmers made up about 18% of labor force

1950—Farmers made up about 12.2% of labor force

1960—Farmers made up about 8.3% of labor force

1970—Farmers made up about 4.6% of labor force

1980—Farmers made up about 3.4% of labor force

1990—Farmers made up about 2.6% of labor force

b) Excerpt from article “50 Million Farmers” by Richard Heinberg, published at the Energy Bulletin website on November 17, 2006 (see <http://www.energybulletin.net/node/22584#>) (confirmed January 24, 2010)

“One way or another, re-ruralization will be the dominant social trend of the 21st century. Thirty or forty years from now—again, one way or another—we will see a more historically normal ratio of rural to urban population, with the majority once again living in small, farming communities. More food will be produced in cities than is the case today, but cities will be smaller. Millions more people than today will be in the countryside growing food.

“They won’t be doing so the way farmers do it today, and perhaps not the way farmers did it in 1900. Indeed, we need perhaps to redefine the term *farmer*.... We should perhaps start thinking of a farmer as someone with 3 to 50 acres, who uses mostly hand labor and twice a year borrows a small tractor that she or he fuels with ethanol or biodiesel produced on-site.

“How many more farmers are we talking about? Currently the U.S. has three or four million of them, depending on how we define the term. Let’s again consider Cuba’s experience: in its transition away from fossil-fueled agriculture, that nation found that it required 15 to 25 percent of its population to become involved in food production. In America in 1900, nearly 40 percent of the population farmed; the current proportion is close to one percent. (The current population of the United States is estimated at 306,670,896. 1% of that number is 3,066,708, an approximation of how many farmers there are now in the U.S. 20% of the total U.S. population is 61,334,179. According to this math, there would be a need for approximately 58 million more farmers in the United States, in the future, than there are now.)....

“How soon will the need arise? Assuming that the peak of global oil production occurs within the next five years, and that North American natural gas is already in decline, we are looking at a transition that must occur over the next 20 to 30 years, and that must begin approximately now.”

c) From the article “Permaculture and Energy” by David Holmgren, co-creator of the “permaculture” concept) (article first written in 1990, published in “Permaculture Activist” Issue #31 May, 1994) (see “Agriculture and Forestry” section)(at <http://www.permacultureactivist.net/articles/holmgren.htm>) (confirmed January 9, 2011)

“It should be possible to design land use systems which approach the solar energy harvesting capacities of natural systems while providing humanity with its needs. This was the original premise of the permaculture concept.”

8) On the subject of finding contentment and quality of life while consuming less material goods and ecological services

[Note: The following 9 quotes are from Section F. of the IPCR document “Spiritual Peacebuilding: 47 Quotes and Proverbs” (accessible at <http://www.ipcri.net/Spiritual-Peacebuilding--47-Quotations-and-Proverb.pdf>) This series of quotes were also included in “The IPCR Journal/Newsletter (Winter 2010-2011 issue) (accessible at http://www.ipcri.net/The_IPCR_Journal_Newsletter_Winter_2010_2011.pdf) (the footnotes are associated with the “IPCR Journal/Newsletter” version)]

a) "A wise person notices that inner harmony is disturbed when the mind lets itself be lured into indiscriminately sampling the world of phenomena."³⁵

b) "The energy invested in a particular thing, during its life from cradle to grave, is called the 'embodied energy' of that object. The amount of embodied energy that an item contains depends on the technology used to create it (the origin of materials inputs, how they were created and transported, etc.), the nature of the production system, and the distance the item travels from inception to purchase."³⁶

c) "... every article in the bazaar has moral and spiritual values attached to it... hence it behooves us to enquire into the antecedents of every article we buy... (Yet this) is an arduous task, and it becomes almost impossible for ordinary persons to undertake it when the article comes from far off countries."³⁷

d) "If we feel it is beyond us to guarantee the concomitant results of all our transactions, it necessarily follows that we must limit our transactions to a circle well within our control. This is the bed rock of swadeshi. The smaller the circumference, the more accurately can we gauge the results of our actions, and (the) more conscientiously shall we be able to fulfill our obligations as trustees."³⁸

e) "By supporting items and processes that have lower embodied energy, as well as the companies that produce them, consumers can significantly reduce society's energy use."³⁹

f) The second law of thermodynamics efficiency is often defined as follows: 'the efficiency is equal to the ratio of the least available work that could have done the job to the actual available work used to do the job.'⁴⁰

i) "If many people can learn to find contentment and quality of life while consuming much less, this limiting of desires at the 'root' will save much trouble trying to respond to the symptoms as they materialize worldwide. This is part of the 'spiritual teachings' element which often gets overlooked..."⁴¹

9) "...forecasters are dealing with a confluence of unprecedented and very complex trends...without parallel in the history of humanity."

From article by Thomas N. Gladwin Ph.D [Professor at the University of Michigan (Ann Arbor) School of Natural Resources and Environment) titled "Doomsday Alert: Megachallenges Confronting Urban Modernity!", in The Journal of the International Institute (at <http://quod.lib.umich.edu/j/jii/4750978.0016.107?rgn=main;view=fulltext>)

"The dawning of the urban millennium has been marked by a prodigious outpouring of projections and assessments of urban futures from international organizations such as UN-Habitat, UN Population Fund, World Bank, UN Environmental Programme, Intergovernmental Panel on Climate Change (IPCC), Worldwatch Institute, Organisation for Economic Co-operation and Development (OECD), International Energy Agency, and more. Table 1 provides a summary snapshot of long-term global projections of relevance to urban evolution recently provided by these organizations. These are typically business-as-usual projections based on recent experience, assumptions of linearity and continuity, masking of huge regional disparities, and tunnel-vision disregard for complex whole-system dynamics and interdependencies.

“Table 1: “Business-as-Usual” Projections to 2030 and 2050

PROJECTIONS	2000– 2005	2025– 2030	2045– 2050
World population <i>UN, billion</i>	6.46	7.01	9.3
World GDP <i>Organisation for Economic Co-operation and Development, trillion</i>	44.65	89.29	133.93
World energy consumption <i>Energy Information Administration, quadrillion, British thermal units (Btu)</i>	462	695	?
Urban population <i>UN Population Fund, billion</i>	3.1	4.5–5.0	6.4
Population > 60 years old <i>UN, billion</i>	0.6	1.2	2.0
Urban slum dwellers <i>UN-Habitat, billion</i>	0.94	2.0	?
Urban built-up area <i>World Bank, million square hectometers</i>	400	1,100	?
Population living within 100km of coasts <i>World Resources Institute, billion</i>	2.2	2.75	?
Population experiencing severe water stress or scarcity <i>Organisation for Economic Co-Operation and Development, billion</i>	2.8	3.9	6.9
Greenhouse gas emissions <i>Organisation for Economic Co-operation and Development, metric gigatonnes (Gt) CO²equivalent</i>	46.9	64.25	71.29
Climate refugees <i>Intergovernmental Panel on Climate Change, million</i>	25	100	150
World ecological footprint <i>World Wildlife Fund, % of Biocapacity</i>	130	150	180

“When put together, the projections entail huge impossibilities. Can the world’s cities really massively grow their fossil fuel-based energy consumption in the wake of the end of cheap oil and during climate change? Can the future of urbanization really be concentrated in the world’s coastal zones growing increasingly vulnerable to extreme freshwater scarcity, storm surges, and sea-level rises induced by climate change? Can cities in low-income nations really double their urban populations with mainly very poor, old, and young people in the absence of vast increases in employment, income, and tax revenue? And can we really double or triple the physical size of the world’s cities while irreversibly liquidating the stocks of natural capital upon which such growth ultimately depends? Inconsistency in charting urban

futures is to be expected given that forecasters are dealing with a confluence of unprecedented and very complex trends—population aging, urbanization of poverty, coastal ecosystem degradation, climate change, massive sprawl, decoupling of urbanization from industrialization and wealth creation, and so on—without parallel in the history of humanity.”

10) Some Questions We Should Ask Ourselves

[Note: The following four questions were included in the section “A Mini Questionnaire from The IPCR Initiative”, in “The IPCR Journal/Newsletter (Winter 2010-2011 issue) (accessible at http://www.ipcri.net/The_IPCR_Journal_Newsletter_Winter_2010_2011.pdf)]

a) Identifying Experienced Practitioners, Stakeholders, and People Needing Assistance

Consider the assessment of the most difficult challenges of our times which is included in Appendix A of this document—(or consider your own ten point assessment of the most critical challenges of our times).

i) Who are the Experienced Practitioners, who are most qualified to be educating people on how to successfully overcome each of the challenges you identified?

(Special Notes: Please be specific, as in times of emergency, it will be most important for leaders to understand which people are perceived as most qualified by the majority of the residents in a particular community. Also, please be straightforward and honest: if you do not know who would be most qualified to respond, please respond accordingly.)

ii) Who are the Stakeholders (the people who will be affected by the education provided and guidance given by the Experienced Practitioners)?

iii) Who are the People Needing Assistance (the people who do not know how to respond to the challenges you identified)?

b) Arriving at Working Definitions of “Right Livelihood”

Consider what ways of earning a living you would identify as “right livelihood.”

Now imagine a local community resource guide relating to employment, apprenticeships, training, and volunteer opportunities associated with “right livelihood.”

And further: imagine a committee commissioned to produce such a “right livelihood” resource guide.... And the individuals who make up the committee commissioned to produce such a resource guide....

i) What background (qualifications, experiences, etc.) would you like such individuals to have?

ii) What local institutions would you consider most appropriate to commission such a resource guide, and oversee its production?

c) Engines of Economic Stability

Many people seem to be worried that “the economy” will collapse if there is widespread movement from “consuming material goods and ecological resources indiscriminately” to “discriminating carefully about the use of material goods and ecological resources”... and yet many of the challenges of our times are very deeply rooted in cultural traditions, which suggest that it may require decades, generations, or even centuries to resolve such challenges. *Surely, there will be work to do....*

Please carefully consider the above introduction... and then respond to the following questions.

i) Please name as many engines of economic stability and methods of economic conversion as you can which you believe would result in communities that

minimize resource requirements
maintain ecological sustainability
maintain a high level of compassion for fellow human beings

and which represent what a significant majority of community residents surveyed would describe as a high quality of life.

ii) Please check the box below which best corresponds to your view of the following statement:

“It is possible to create, support, and sustain communities which can minimize resource requirements, maintain ecological sustainability, maintain a high level of compassion for fellow human beings— and which represent what a significant majority of community residents surveyed would describe as a high quality of life.”

- I believe it—and there is much evidence to support it
- I believe it—and there is sufficient evidence to support it
- I would like to believe it, but there isn’t enough evidence to support it
- It is difficult to believe it, with the way things are going now
- I don’t believe it—there is no evidence to support it

d) Identifying the Most Important Elements of Community Life and Cultural Traditions

In the best of times, even the most profound challenges can be overcome; for in the best of times, _____ is/are nurtured, supported, and sustained by family, teachers, mentors, elders, and the everyday influences of community life and cultural traditions.

Please “brainstorm” on the subject of what would best fill in the blank in the above statement. Then choose 5-10 items from the “brainstormed list”, and rank them according to most important, and next most important, using 1 as most important, 2 as next most important, and so on.

11) Commentary (from this writer)

Although most of the expert practitioners associated with planning, funding, and building the sustainable communities of the future still seem to believe that cities with a population over 1 million can be made into models of sustainability, this writer believes it is time to ask about “return on investment” and “diminishing returns” associated with mega-cities. We are about to enter a time when many countries will have serious public debt. Thus, at the same time as there is a need for a majority of people to adjust to austerity measures associated with public debt, there is a need for many people to reduce indiscriminate consumption as a response to the implications of peak oil, peak water, and depletion of many other key resources; to conserve resources for emergency assistance; and to reduce carbon emissions in particular. It seems to this writer that at such a time as this there would be decreasing return on investment (“diminishing returns”) to the prospect of further investment in mega-cities: which have such complex infrastructures to maintain; which require extensive transport of food and other products, extensive transport and processing of water and waste, and regulatory agencies which can only monitor a fraction of all this complex activity; and where the prospects of reducing indiscriminate consumption, reducing carbon emissions, and achieving “zero waste” are least likely to occur.

E. A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions

1) Global Entertainment

a) From article “PricewaterhouseCoopers releases Global Entertainment and Media Outlook 2010-2014” (June 15, 2010), in the “World News Report” section of the EIN website (An EIN News Service for Global Professionals) (see <http://www.einnews.com/pr-news/90509-pricewaterhousecoopers-releases-globalentertainment-and-media-outlook-2010-2014->) (confirmed April 3, 2011)

“PricewaterhouseCoopers' Global Entertainment and Media Outlook: 2010-2014 (Outlook), forecasts that global entertainment and media spending is expected to rise from \$1.3 trillion to \$1.7 trillion by 2014.”

b) All excerpts below are from “International Communications: A Media Literacy Approach” by Art Silverblatt and Nikolai Zlobin M.E. Sharpe July, 2004 (most content accessible at Google Books) (confirmed October 21, 2009)

“Popular programming reflects a level of acceptance and shared values among large numbers of people. People tend to watch programs that meet their approval. If they are truly offended by violent programs, they would not watch them. In that sense, media programming can be regarded as a text that reflects the attitudes, values, behaviors, preoccupations, and myths that define a culture.” (p. 66)

“At the same time, media programming reinforces cultural attitudes, values, behaviors, preoccupations, and myths. Media messages are communicated through the countless hours of media programming that repeat, directly or indirectly, the cultural script.” (p. 68)

“Finally, the media do not merely reflect or reinforce culture, but in fact shape attitudes, values, behavior, preoccupations, and myths.” (p. 68)

“The international market is saturated with American entertainment programming. Hollywood films account for approximately 85% of movie audiences worldwide. Further, American programming makes up approximately 65% of global prime-time TV viewing.” (p. 69)

2) Worldwide and U.S. Advertising Expenditures

a) From article “Worldwide Advertising Spending by Media” (July 22, 2009) at the website “BitBriefs” (Marketing Trends, News, Stats) (see <http://bitbriefs.amplify.com/2009/07/22/worldwide-advertisingspending-by-media/>) (Excerpt: According to the “Global Entertainment and Media Outlook 2009-2013” (PricewaterhouseCoopers) (PwC), worldwide advertising spending will reach \$421 billion in 2009.” (Also included: a Table which breaks down the spending into categories.) (confirmed April 3,2011)

Worldwide Advertising Expenditures (2009)-- \$421 billion (Total Expenditures are in U.S. Dollars)

b) From an article titled “Worldwide Internet Advertising Spending to Surpass \$106 Billion in 2011”, at the website “Marketing Charts” (at marketingcharts.com) (Excerpt in paragraph 2) (see <http://www.marketingcharts.com/television/worldwide-internet-advertising-spending-to-surpass-106-billion-in-2011-5068/>) (Confirmed April 3, 2011)

“The United States will lead the world in total advertising expenditures and online advertising expenditure with forecasts for 2011 at \$265 billion and \$45 billion.”

c) Commentary on the subject of Advertising (repeated for emphasis)

The following passages are excerpts from “People of Plenty: Economic Abundance and the American Character” by David M. Potter (first edition 1954) (p. 176-177)(partially accessible at Google Books)

“... we must realize at once that we are dealing with... one of the very limited group of institutions which... guide the life of the individual by conceiving of him in a distinctive way and encouraging him to conform as far as possible to the concept. For instance, the church, representing the force of religion, conceives of man as an immortal soul; our schools and colleges, representing the force of learning, conceive of him as a being whose behavior is guided by reason; our business and industry, representing the force of the economic free-enterprise system, conceive of him as a productive agent who can create goods or render services that are useful to mankind. Advertising, of course, is committed to none of these views and entertains them only incidentally. Representing as it does the force of a vast productive mechanism seeking outlets for an overwhelming flow of goods, it conceives of man as a consumer. Each institution is distinctive, again, in the qualities to which it appeals and in the character of the reward which it offers: the church appeals to the spirit of conscience of the individual and offers the rewards of salvation and peace of mind; learning appeals to the reason of man and offers the hope of a perfected society from which evils have been eliminated by the application of wisdom; free enterprise appeals to the energies and the capacities of man and offers the rewards of property, personal attainment, and satisfaction in the job. Advertising appeals primarily to the desires, the wants—cultivated or natural—or the individual, and it sometimes offers as its goal a power to command the envy of others by outstripping them in the consumption of goods and services.

“To pursue this parallel a step further, one may add that the traditional institutions have tried to improve man and to develop in him qualities of social value, though, of course, these values have not always been broadly conceived. The church has sought to inculcate virtue and consideration of others—the golden rule; the schools have made it their business to stimulate ability and to impart skills; the free enterprise system has constantly stressed the importance of hard work and the sinfulness of unproductive occupations. And at least two of these institutions, the church and the school, have been very self-conscious about their roles as guardians of the social values and have conducted themselves with a considerable degree of social responsibility.

“In contrast with these, advertising has in its dynamics no motivation to seek the improvement of the individual or to impart qualities of social usefulness, unless conformity to material values may be so characterized. And though it wields an immense social influence, comparable to the influence of religion and learning, it has no social goals and no social responsibility for what it does with its influence, so long as it refrains from palpable violations of truth and decency. It is this lack of institutional responsibility, this lack of inherent social purpose to balance social power, which, I would argue, is a basic cause for concern about the role of advertising. Occasional deceptions, breaches of taste, and deviations from sound ethical conduct are in a sense superficial and are not necessarily intrinsic. Equally, high-minded types of advertising which we see more regularly than we sometimes realize are also extraneous to an analysis of the basic nature of advertising. What is basic is that advertising, as such, with all its vast power to influence values and conduct, cannot ever lose sight of the fact that it ultimately regards man as a consumer and defines its own mission as one of stimulating him to consume or to desire to consume.

“If one can justifiably say that advertising has joined the charmed circle of institutions which fix the values and standards of society and that it has done this without being linked to any of the socially defined objectives which usually guide such institutions in the use of their power, then it becomes necessary to consider with special care the extent and nature of its influence—how far it extends and in what way it makes itself felt.”

3) “...religion was not particularly relevant for the future as it was envisioned at most universities.”

From “Introduction” to “The American University in a Post Secular Age” Edited by Douglas Jacobsen and Rhonda Jacobsen Oxford University Press USA February, 2008 (passage is from paragraph 1 of “Introduction” on p. ix) [Note: Many sections of this book are accessible by way of a “Google Books” preview.

“For most of the 20th Century, and especially since the Second World War, higher education has been largely a secular enterprise. The goal of a college or university education has been to provide students with scholarly ways of understanding both themselves and the world around them that required little or no appeal to God, religion, or the sacred. The underlying assumption seemed to be that as research and rational reflection explained more and more of the world, religion would become and increasingly unnecessary part of human life. Higher education prepares students for the future, and religion was not particularly relevant for the future as it was envisioned at most universities.”

4) "Economics is one thing; morality is, quite clearly, another."

The following passages are excerpts from the article "Moral Disagreement, Moral Education, Common Ground" by Warren A. Nord in "Making Good Citizens: Education and Civil Society" Edited by Diane Ravitch and Joseph P. Viteritti Yale University Press 2003 (excerpts below accessible at Google Books) (confirmed April 3,2011)

"It is a little surprising that there has been no controversy over economics education, because economics is, in our culture, deeply controversial, often on moral and religious grounds..... A part of the problem is what the texts and the new national standards leave out. They say little about poverty, especially as a moral or spiritual problem. They are usually silent about the moral relation of the First and Third Worlds. They typically ignore the effects of economics and technology on the environment. They are oblivious to the moral and spiritual problems of consumer culture. They ask no questions about dehumanizing work. They emphasize the important of the profit motive and competition, but say nothing about the possibility of excess profits or the possible costs of competition...." (p. 159)

"(Furthermore)... the economics world (is) defined in terms of competition of self-interested individuals with unlimited wants for scarce resources.... (and) decisions should be made according to cost-benefit analyses that maximize whatever it is that we value and leave no room in the equation for duties, the sacred, or those dimensions of life that aren't quantifiable. Economics is one thing; morality is, quite clearly, another." (p. 160)

5) Religion and the Media

a) Religion and Peace ("We are bombarded on a nearly daily basis....")

From "Religion and Peace." by Eric Brahm at *Beyond Intractability*. Eds. Guy Burgess and Heidi Burgess. Conflict Research Consortium, University of Colorado, Boulder. Posted: September 2005
<http://www.beyondintractability.org/essay/religion_and_peace/>. (see paragraph 1)

"We are bombarded on a nearly daily basis with news stories that portray religion as a cause of seemingly intractable conflict the world over. Some, in fact, trace the view of religion as a source of conflict all the way back to the religious wars that ravaged seventeenth century Europe. What does not attract attention is the peacebuilding power of religion. This contribution is often overlooked, in part, because the secular media rarely pays attention to the role of religious peacemakers because their work is often not dramatic enough. However, all of the world's major religions have a significant strain emphasizing peace. Religious leaders and workers have proven to be key civil society actors in many efforts to resolve conflicts, serving as intermediaries or "Third Siders" or helping to facilitate reconciliation. This essay explores some of the ways in which religion has played a positive role in mitigating conflict and offers brief profiles of a few such organizations."

b) Religion and Conflict ("This excessive emphasis on the negative side of religion and the actions of religious extremists generates interfaith [fear](#) and hostility.")

From "Religion and Conflict." by Eric Brahm at *Beyond Intractability*. Eds. Guy Burgess and Heidi Burgess. Conflict Research Consortium, University of Colorado, Boulder. Posted: November 2005
<http://www.beyondintractability.org/essay/religion_and_conflict/>. (see paragraph 9)

“Popular portrayals of religion often reinforce the view of religion being conflictual. The global media has paid significant attention to religion and conflict, but not the ways in which religion has played a powerful peacemaking role. This excessive emphasis on the negative side of religion and the actions of religious extremists generates interfaith fear and hostility. What is more, media portrayals of religious conflict have tended to do so in such a way so as to confuse rather than inform. It does so by misunderstanding goals and alliances between groups, thereby exacerbating polarization. The tendency to carelessly throw around the terms ‘fundamentalist’ and ‘extremist’ masks significant differences in beliefs, goals, and tactics.”

6) “How difficult for us, then, to achieve a balance in the midst of these contradictory tensions....”

From “Gift from the Sea” by Anne Morrow Lindbergh (written in 1955) Pantheon Books New York 1992 (p. 19-21 and p. 22)

“I mean to live a simple life... but I do not. I find that my frame of life does not foster simplicity. My husband and give children must make their way in the world. The life I have chosen as wife and mother entrains a whole caravan of complications. It involves a house in the suburbs and either household drudgery or household help which wavers between scarcity and non-existence for most of us. It involves food and shelter, meals, planning, marketing, bills, and making the ends meet in a thousand ways. It involves not only the butcher, the baker, the candlestick maker but countless other experts to keep my modern house with its modern “simplifications” (electricity, plumbing, refrigerator, gas-stove, oil-burner, dish-washer, radios, car, and numerous other labor saving devices) functioning properly. It involves health, doctors, dentists, appointments, medicine, cod-liver oil, vitamins, trips to the drugstore. It involves education, spiritual, intellectual, physical, schools, school conferences, car-pools, extra trips for basketball or orchestra practice, tutoring, camps, camp equipment and transportation, It involves clothes, shopping, laundry, cleaning, mending, letting skirts down and sewing button on, or finding someone else to do it. It involves friends, my husband’s my children’s my own, and endless arrangements to get together, letters, invitations, telephone calls and transportation hither and yon.

“For life today in America is based on the remise of ever-widening circles of contact and communication. It involves not only family demands, but community demands, national demands, international demands on the good citizen, through social and cultural pressures, through newspapers magazines, radio programs, political drives, charitable appeals, and so on. My mind reels with it. What a circus act we women perform every day of our lives. It puts the trapeze artist to shame. Look at us. We run a tight rope daily, balancing a pile of books on the head. Baby-carriage, parasol, kitchen chair, still under control. Steady now!

“This is not the life of simplicity but the life of multiplicity that the wise men warn us of. It leads not to unification but to fragmentation. It does not bring grace; it destroys the soul.” (p. 19-21)

“How difficult for us, then, to achieve a balance in the midst of these contradictory tensions, and yet how necessary for the proper functioning of our lives. How much we need, and how arduous of attainment is that steadiness preached in all rules for holy living.” (p. 22)

7) "The tragedy is that they are not mended again."

From "Cry, the Beloved Country" by Alan Paton ("First published in 1948, "Cry, the Beloved Country" stands as the single most important novel in twentieth-century South African literature.") Scribner Classics/Collier Books New York 1986 (p. 25-26)

"But you will pardon me if I talk frankly with you. The tragedy is not that things are broken. The tragedy is that they are not mended again. The white man has broken the tribe. And it is my belief—and again I ask your pardon—that it cannot be mended again. But the house that is broken, and the man that falls apart when the house is broken, these are the tragic things. That is why children break the law, and old white people are robbed and beaten."

He passed his hand across his brow.

"It suited the white man to break the tribe," he continued gravely. "But it has not suited him to build something in the place of what is broken. I have pondered this for many hours, and I must speak it, for it is the truth for me. They are not all so. There are some white men who give their lives to build up what is broken."

"But they are not enough," he said. "They are afraid, that is the truth. It is fear that rules this land."

8) "Riots Reveal the Decay in British Society"

From article "Riots Reveal the Decay in British Society" in Spiegel Online International August 10, 2011 at <http://www.spiegel.de/international/europe/0,1518,779413,00.html> (Excerpts below include paragraphs 1, and 3-5 of the introduction; and excerpts from the commentary of four different German newspapers)

"After the fourth night of riots in England, observers are asking what is behind the wave of violence. German commentators argue that the unrest reflects a deep-seated malaise at the heart of British society.

"Violence spread to an increasingly number of towns and cities around England, however, including Birmingham, Manchester and Liverpool, where groups of young men in hooded tops looted shops and set fire to cars and buildings. In one of the most serious incidents, a police station in Nottingham was firebombed. Violence was also reported in Wolverhampton, Leicester, Bristol and Gloucester.

"Youth have reportedly been using mobile phones and social media to organize the disturbances. In some places they reportedly played cat-and-mouse games with police, who appeared overwhelmed at times. So far police have not used heavy-duty, anti-riot tactics such as tear gas or water cannon, but some conservative and right-wing politicians have called for a harder crackdown on the unrest."

The center-left **Süddeutsche Zeitung** writes:

"The riots are in no way a purely British problem. There is social distress all across Europe, as hard-up countries are forced to scrimp and save. And there are teenagers and 20-somethings all over who will be forced to assume a mountain of debt that has been carelessly accumulated by the postwar generation. They are already being referred to as the Lost Generation. The rioting youth in London are the ugly flip side of this generation. But they all feel lost, regardless of where they are in Europe."

The financial daily **Handelsblatt** writes:

"The riots reveal fundamental societal problems that extend far beyond London and England. They are too deep for the short-term austerity measures to have had much influence. There wasn't just looting in troubled areas, but also in the affluent district of Notting Hill and among the middle class in trendy Clapham. The riots reveal the decay of society at its edges, brought on by deeply cemented inequality, the erosion of social norms, great frustration and a lack of opportunity for the lower class."

"An uninhibited, unscrupulous part of society is baring its hideous face -- whether it is in the metro stations of Berlin and Munich (where random violence has shocked Germany), or on the streets of London ... The riots show that some people simply take pleasure in violence, which they engage in without inhibitions when given the opportunity."

The **Financial Times Deutschland** writes:

"British Prime Minister David Cameron called the excesses 'criminality pure and simple.' ... But his statements are too simple. And they distract from what lies behind the overwhelming violence: the frustration over the British elite."

"The British elite has systematically compromised itself in recent years. They claimed to be a role model, or at least trustworthy. In the economic crisis the financial establishment declared bankruptcy, and British politicians became mired in the expenses scandal of 2009. Then this year the media and politicians have been damaged by the Murdoch scandal. When the country's elites don't take the law seriously, why should we? No question is more dangerous for a society."

The left-leaning **Berliner Zeitung** writes:

"The country has lost faith in every authority: the banks, politicians, the media, the police. The corruption has reached even the smallest unit -- the family. There is a generation growing up without values of any kind."

9) "...a feeling that something fundamental has broken."

From Friday news roundup on Diane Rehm Show Friday August 12, 2011; in a discussion of the motives behind the London riots Yochi J. Dreazen Senior National Security Correspondent National Journal

"I mean, I think it's very easy—because so often, as we are now, we're talking about specific events that—historical moments happen and you don't realize they've happened until you look back... but I think we can safely say that we are now in an historical moment. Not just because of the riots, not just because of the economic collapse here—and the near self-inflicted "head-shot wound" we did over the debt default and whether to raise the debt ceiling... but there's a sense that you can see signs across the

globe that the system that was in place for the last nearly 60 years—the kind of post World War II economic, cultural, educational—that’s all fracturing. It’s not just the riots in England, it’s not just the riots in Greece—where, if you remember, there was a pregnant bank teller who burned to death when anarchists threw fire bombs into a bank in protest, the first of many protests against austerity measures—but there’s just a feeling that something fundamental has broken.”

10) Requesting to be excused from military service based on religious, spiritual, or moral convictions

Consider the following statement:

“Most people would consider it unusual for a person to request to be excused from military service based on their religious, spiritual, or moral convictions.”

Please check the box which best represents your view of the above statement...

- | | | | | |
|--------------------------|--------------------------|--|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| agree | agree in some ways | have different view--
or different way of
understanding our
present circumstances | disagree in
some ways | disagree |

Your different view, or different way of understanding our present circumstances:

Also, consider the following excerpts from the Wikipedia entry for “Conscientious Objector”.

“During World War II, all registrants (in the United States; see section “United States”) were sent a questionnaire covering basic facts about their identification, physical condition, history and also provided a checkoff to indicate opposition to military service because of religious training or belief. Men marking the latter option received a DSS 47 form with ten questions.

- a) Describe the nature of your belief which is the basis of your claim.
- b) Explain how, when, and from whom or from what source you received the training and acquired the belief which is the basis of your claim.
- c) Give the name and present address of the individual upon whom you rely most for religious guidance.
- d) Under what circumstances, if any, do you believe in the use of force?
- e) Describe the actions and behavior in your life which in your opinion most conspicuously demonstrate the consistency and depth of your religious convictions.
- f) Have you ever given public expression, written or oral, to the views herein expressed as the basis for your claim made above? If so, specify when and where.
- g) Have you ever been a member of any military organization or establishment? If so, state the name and address of same and give reasons why you became a member.
- h) Are you a member of a religious sect or organization?

- i) Describe carefully the creed or official statements of said religious sect or organization as it relates to participation in war.
- j) Describe your relationships with and activities in all organizations with which you are or have been affiliated other than religious or military”

Question: How many of us would qualify as someone who could legitimately be excused from a military service requirement based on our religious, spiritual, or moral convictions?

F. Global inequities and the tragic cycles of malnutrition, disease, and death

1) From the UN Human Development Report 1998 titled “Consumption for Human Development” at <http://hdr.undp.org/en/reports/global/hdr1998/chapters/> In “Overview: Changing Today’s Consumption Patterns for Tomorrow’s Human Development” (at http://hdr.undp.org/en/media/hdr_1998_en_overview.pdf (see p. 2, paragraph 1 and 2) (confirmed July 31, 2011)

“Well over a billion people are deprived of basic consumption needs. Of the 4.4 billion people in developing countries:

nearly three-fifths lack basic sanitation
a third have no access to clean water
a quarter do not have adequate housing
a fifth have no access to modern health services
a fifth of children do not attend school to grade 5
about a fifth do not have enough dietary energy and protein.”

“Micronutrient deficiencies are even more widespread. Worldwide, 2 billion people are anaemic, including 55 million in industrial countries. In developing countries only a privileged minority has motorized transport, telecommunications and modern energy.

Inequalities in consumption are stark. Globally, the 20% of the world's people in the highest-income countries account for 86% of total private consumption expenditures-the poorest 20% a minuscule 1.3%.

More specifically, the richest fifth:

- Consume 45% of all meat and fish, the poorest fifth 5%.
- Consume 58% of total energy, the poorest fifth less than 4%.
- Have 74% of all telephone lines, the poorest fifth 1.5%.
- Consume 84% of all paper, the poorest fifth 1.1%.
- Own 87% of the world's vehicle fleet, the poorest fifth less than 1%.

2) Closing the Gap on Achieving the Eight Millennium Development Goals (MDGs)

a) “The eight Millennium Development Goals (MDGs) – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world’s countries and all the world’s leading development institutions. They have galvanized unprecedented efforts to meet the needs of the world’s poorest.”

The eight Millennium Development Goals are:

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a Global Partnership for Development

b) From 2010 Gap Task Force Report, accessed at the Millennium Development Goals section of the United Nations website (at <http://www.un.org/millenniumgoals/>) In subsection “Reports”, see “MDG Gap Task Force Reports”, and 2010 Report titled “The Global Partnership for Development at a Critical Juncture” (2010 report at [http://www.un.org/millenniumgoals/pdf/10-43282_MDG_2010%20\(E\)%20WEBv2.pdf](http://www.un.org/millenniumgoals/pdf/10-43282_MDG_2010%20(E)%20WEBv2.pdf)) (see paragraph 1 in “Executive Summary, p. ix)(confirmed July 31, 2011)

“The world economy is recovering from its most severe downturn since the Great Depression of the 1930s. The recovery is still very fragile and uneven, however. The global jobs crisis has not subsided, as can be seen from persistent high unemployment rates in the major developed countries and increased rates of underemployment and vulnerable employment in many developing countries. The lack of recovery in employment presents a risk for output recovery as it suppresses consumption and investment demand. Fiscal and monetary stimulus measures have been critical in preventing the global recession from turning into a new depression and remain a main driving force in the ongoing recovery. But such stimuli have also widened fiscal deficits in a number of countries, especially in many advanced economies, where public debt is approaching critical levels.

“The ongoing jobs crisis and increasingly limited fiscal space not only pose a risk to the recovery of the global economy but also make achievement of the Millennium Development Goals (MDGs) more challenging. Poorer employment opportunities around the world are slowing progress towards poverty reduction. Greater income insecurity and weakening of government spending on social services are hurting access to education, health services, drinking water and basic sanitation. To mitigate the potentially lasting, harmful effects of the global economic crisis, national policy responses will need to be supported by stronger global partnerships. With only five years until the 2015 deadline, enormous gaps remain in the delivery of MDG 8 commitments.”

3) From the Bread for the World website, in the section “Faces of Hunger”, and the subsection “Global Hunger” (at <http://www.bread.org/hunger/global/>) (confirmed July 31, 2011)

a) From the section “Global Hunger” (paragraphs 1-4)

“The world is facing a hunger crisis unlike anything it has seen in more than 50 years.”

“925 million people are hungry.”

“Every day, almost 16,000 children die from hunger-related causes. That's one child every five seconds. There were 1.4 billion people in extreme poverty in 2005.

The World Bank estimates that the spike in global food prices in 2008, followed by the global economic recession in 2009 and 2010 has pushed between 100-150 million people into poverty.”

b) From the section “Global Hunger”/subsection “Hunger and Poverty Facts”/subsection “Malnutrition” (bullet #1)

“In 2008, nearly 9 million children died before they reached their fifth birthday. One third of these deaths are due directly or indirectly to hunger and malnutrition. Malnutrition is not having enough nourishing food, with adequate amounts of protein, vitamins, minerals and calories to support physical and mental growth and development. Children who survive early childhood malnutrition suffer irreversible harm—including poor physical growth, compromised immune function, and impaired cognitive ability.

c) From the section “Global Hunger”/subsection “Hunger and Poverty Facts”/subsection “U.S. Development Assistance” (bullet #2)

“Since 2000, U.S. poverty-focused development assistance has tripled, and currently totals a little over \$28 billion (Bread for the World estimate), but this amount still represents less than 1% of the federal budget.”

4) From an Army Corps of Engineer’s Report (Engineer Research and Development Center) titled “Energy Trends and Their Implications for U.S. Army Installations” Donald F. Fournier and Eileen T. Westervelt September 2005 Accessible from the [energycrisis.org](http://www.energycrisis.org) website (in section “Issues” subsection “Security” of the “Executive Summary” (p. 5); see <http://www.energycrisis.org/us/army/EnergyTrends2005.pdf>) (Confirmed April 3, 2011) (Note: quoted by Roscoe Bartlett, Congressman, House of Representatives (R-MD) (USA) in his March 14, 2006 special presentation) (not currently accessible) (Report “Energy Trends and Their Implications for U.S. Army Installations” also accessible from the website of Congressman Bartlett (see <http://www.bartlett.house.gov/uploadedfiles/U.S.%20Army%20Corp%20of%20Engineers-Energy%20Report.pdf>) (Confirmed April 3, 2011)

“The United States currently has 5 percent of the world’s population, but uses 25 percent of the world’s annual energy production. This disproportionate consumption of energy relative to global consumption causes loss of the world’s good will and provides a context for potential military conflicts, at the cost of lives, money, and political capital. A more equitable distribution of resources is in our best interest for a peaceful future. “

5) From an article titled “The World Economy After the G-20 Meeting”—which is the transcript of a conference call involving Norbeck with Martin Wolf, Associate Editor and Chief Economics Commentator, Financial Times, London April 15, 2009 (Accessible from the website of atkearney.com) (see 2nd participant question, about three-fourths way down the article, and response by Martin Wolf; at <http://www.atkearney.com/index.php/Publications/the-world-economy-after-the-g-20-meeting.html?q=norbert+jorek>) (confirmed April 3, 2011)

“Participant Question: It seems that we came from decades of excess and imbalances. From a corporate point of view, do you believe that in the long run we will need to reset at a lower level in terms of global consumption and we’ll need to scale down, assuming that, at least for Western economies, we will on average all become less wealthy, or am I being too pessimistic?”

“Martin Wolf: It’s a very pessimistic view, because it means that in a world of clearly very considerable need and want still—I’m leaving aside here environmental constraints, global warming and all these issues—it’s clear when you look around the world, there is a great deal of need or want. So what we are saying is that we somehow can’t organize the spending side of the world to ensure that the available productive capacity of the world is actually used. Now, that’s a pretty depressing sort of situation to be in. One feels that one ought to be able to avoid that.

“I think it would make sense, therefore, to consider being quite radical about using the IMF as a means of transferring purchasing power. Essentially, this is about transferring purchasing power to people who want to use it. I have no doubt that there are people who want to use it—there are billions of people in the world who are called desperately poor. So I consider this ultimately a huge organizational problem, not a problem where we’ve gotten to the point of saturation at the world level, we can’t find anything that anybody would actually want if we could provide it to them.”

VI. Four Summaries of Critical Challenges Ahead

A. "...the world is only one poor harvest away from chaos."

From "World on the Edge: How to Prevent Environmental and Economic Collapse" by Lester R. Brown Earth Policy Institute W.W. Norton and Company New York 2011 Accessible for free at the website of the Earth Policy Institute (see <http://www.earth-policy.org/books/wote>) (Confirmed April 19, 2011)

a) (from Press Release for "World on the Edge", at <http://www.earth-policy.org/books/wote/wotepr>) (Confirmed April 19, 2011)

"The new reality," says Brown, "is that the world is only one poor harvest away from chaos. It is time to redefine security. The principal threats to our future are no longer armed aggression but instead climate change, population growth, water shortages, spreading hunger, and failing states. What we now need is a mobilization to reverse these trends on the scale and urgency of the U.S. mobilization for WorldWar II. The challenge is to quickly reduce carbon emissions, stabilize population, and restore the economy's soils, aquifers, forests, and other natural support systems. This requires not only a redefining of security but a corresponding reallocation of fiscal resources from military budgets to budgets for climate stabilization, population stabilization, water conservation, and other new threats to security."

b) From "World on the Edge: How to Prevent Environmental and Economic Collapse" by Lester R. Brown Earth Policy Institute

"Food price stability now depends on a record or near record world grain harvest every year. And climate change is not the only threat to food security. Spreading water shortages are also a huge, and perhaps even more imminent, threat to food security and political stability. Water-based "food bubbles" that artificially inflate grain production by depleting aquifers are starting to burst, and as they do, irrigation-based harvests are shrinking. The first food bubble to burst is in Saudi Arabia, where the depletion of its fossil aquifer is virtually eliminating its 3- million-ton wheat harvest. And there are at least another 17 countries with food bubbles based on overpumping." (p. 13-14)

B. "Humanity is now being challenged as never before to grow in wisdom, maturity, and understanding."

From the preamble to a 116 page "Ecovillage Design Curriculum" document (accessible at the Gaia Education website) (see http://gaiaeducation.net/index.php?option=com_content&view=article&id=47&Itemid=62)

"We live in a rapidly changing world that is transforming before our very eyes. Humanity is now being challenged as never before to grow in wisdom, maturity, and understanding. A plethora of deep and pressing concerns is calling for our immediate attention, concerns such as: Earth's environmental degradation, including the loss of precious topsoil and forest cover, the encroachment of deserts, the depletion of fisheries and aquifers, the loss of habitat and the extinction of species, etc.; the glaring and increasing disparity between rich and poor leading to exploitation, poverty, and the associated regimen of malnutrition and over-population; the disintegration of families, communities, even entire

cultures; unrestrained urbanization resulting in social alienation, displacement, and feelings of disconnection with the natural world; the dimming of a sense of spiritual awareness and purpose; global warming and ozone depletion; etc. And now, looming on the horizon is “peak oil,” with its coming adjustments and retrofits, including the probability of ongoing conflict over access to the remaining energy reserves.

“All of these problems are quite real and, by now, well-documented; but gaining awareness of the extent of the problems is only half the project of becoming educated these days.

“Amidst these intense challenges, and largely catalyzed by them, lies the prospect for tremendous growth in human potential and consciousness. People and communities all over the globe are coming together to reclaim responsibility for creating their own living situations – at local and regional levels. In the process, they are overcoming prior limitations and developing new talents, skills, knowledge and approaches. Paradoxically, many of the most innovative solutions rely on a timeless, perennial kind of wisdom that seems to have been disregarded recently. The potential for a refreshed, renewed, revitalized humanity goes hand-in-hand with meeting the challenges of our present Age.

“The Global Ecovillage Network (GEN) believes the most promising and effective way to deal with all these issues is through education....”

C. “We have to somehow get through this collapsing passageway and into the next paradigm....”

From a blog entry titled “Fracking Culture” by Albert Bates at his blog titled “The Great Change” on June 30, 2011 (at <http://peaksurfer.blogspot.com/>)

“We are right at that spaghetti junction where all the lines converge with population and resources, food supply, energy, water and the rest. We’re at that point right now, in exactly the decade The Club of Rome predicted we would arrive here. We have to somehow get through this collapsing passageway and into the next paradigm....”

“...We have to somehow get through this collapsing passageway and into the next paradigm. And so what we do at the Ecovillage Training Center —what *ecovillages* around the world are all trying to do — is to provide models, transition pathways, to get us to that next step, to get us to where we are going. And some of that is food supply, some of that is energy, some is building materials and how we get our buildings, some of that is microeconomics, like complimentary currencies. Some of that is new methods of social networking and alternative education and midwifery and alternative health care and doing things in ways that we have known for hundreds of thousands of years and we need to get back to.”

D. “...overcoming the challenges of our times will require problem solving on a scale most of us have never known before....”

From “A Four Page Summary of The IPCR Initiative” by Stefan Pasti (the compiler of this document) [accessible at the website for The IPCR Initiative (at www.ipcri.net), and at http://www.ipcri.net/A_Four_Page_Summary_of_The_IPCR_Initiative.pdf]

“We now live in very complex world. There are many difficult challenges ahead. These challenges include, but are not limited to:

- a) global warming and reducing carbon emissions
- b) peak oil and reducing dependence on petroleum based products
- c) global inequities and the tragic cycles of malnutrition, disease, and death
- d) an increasing world population requiring more resources when many resources are becoming more scarce (*with a special emphasis on the increasing number of people who are consuming resources and ecological services indiscriminately*)
- e) cultures of violence, greed, corruption, and overindulgence—which have become so common that many of us accept such as inevitable; which are a significant part of the current crises of confidence in financial markets; and which are in many ways slowing the restructuring of investment priorities needed to respond *to an increasing number of other critical challenges*
- f) a marginalization of the wisdom associated with religious, spiritual, and moral traditions

“More and more people are coming to the realization that overcoming the challenges of our times will require problem solving on a scale most of us have never known before—and that there is an urgent need to restructure our economic systems and our education systems to respond to these challenges.

“How can we get more “on track” with the problem solving we so urgently need to do?...”

[Special Note: The feature article in The IPCR Journal/Newsletter (Winter 2010-2011 issue) is “The IPCR Initiative: Creating a Multiplier Effect of a Positive Nature”. From this article, and other supporting pieces in the 58 page issue, an IPCR peacebuilding approach emerges which may be summarized as follows:

A central focus of The IPCR Initiative is its advocacy for a combination Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times.

[Note: For more details about The IPCR Initiative peacebuilding approach, see Section VIII (“Solutions”), subsection A, and Appendices C—H.]

VII. “The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt....”

Preface

From a report titled “The Big Reset”, accessible through the website of the National Governors Association (see p. 2, at <http://www.nga.org/files/live/sites/NGA/files/pdf/1002STATEGOVTAFTERGREATRECESSION.PDF;jsessionid=852338014C5212901D32931298852COA>) (confirmed April 3, 2011)

“The recovery signs seen today in the United States and other developed countries are fragile, and depend largely on public spending. Without it, the recession likely would continue. Despite the damage done, the U.S. economy (and most others) eventually will recover.

“However, a new question has emerged—what will the “new normal” look like? The post-recession economy may look very different in terms of leading and lagging sectors, concentration of industries, trade patterns and quantity, and countries of influence. Many workers will face new challenges to maintain or grow their income and pressures to learn new skills that match available jobs. The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt, possibly leading to higher interest rates, higher taxes, and tighter credit. Finally, American consumers—having lost substantial wealth—may not revive their spending spree, which helped drive the U.S. and many other economies before the recession.

“All of these factors portend a decade of growth much slower than experienced in the previous 30 years. Most troubling is the continuing weakness in employment. At the end of 2009, 15.3 million workers were unemployed (40 percent were out of a job more than six months) and the official unemployment rate stood at 10 percent. Almost 7.5 million jobs were lost during the recession, and it will take years to reverse those losses. It will take even longer to create the jobs needed to reach a pre-recession unemployment rate of 5 percent—a level that many consider as representing “full” employment. In tandem with lost jobs, state revenue and state spending has sharply declined, and will take years for state budgets to recover.”

A. Some Important Considerations Associated with U.S. Debt

1) “Wall Street and the Financial Crisis: The Role of Investment Banks” (“Millions of Americans have lost their jobs, their homes and their businesses in the recession that the crisis sparked....”)

From an opening statement by Senator Carl Levin (D-Mich) [Chairman, Permanent Subcommittee on Investigations (Senate Committee on Homeland Security and Governmental Affairs)] at the beginning of the fourth in its series of hearings on the causes and consequences of the financial crisis. The hearing was titled “Wall Street and the Financial Crisis: The Role of Investment Banks,” and was held on Tuesday, April 27, 2010, at 10:00 a.m., in Room 106 of the Dirksen Senate Office Building. *[Note: The exhibits referenced in the statement and the other witness testimony are accessible at*

http://hsgac.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_id=f07ef2bf-914c-494c-aa66-27129f8e6282 An archive webcast of the hearing is also accessible at that link.]

Webcast also accessible from www.cspan.org Program title: "Investment Banks and the Financial Crisis, Directors" April 27, 2011 (at <http://www.c-spanvideo.org/program/293196-1>) (In that webcast, the portion of Sen. Levin's comments which are included below are from :40 to 8:00) (confirmed July 24, 2011)

The Chairman of the Subcommittee, Sen. Carl Levin, D-Mich, began his opening statement as follows:

"Today the Subcommittee holds the fourth in our series of hearings to explore some of the causes and consequences of the financial crisis. These hearings are the culmination of nearly a year and a half of investigation.

"The freezing of financial markets and collapse of financial institutions that sparked our investigation are not just a matter of numbers on a balance sheet. Millions of Americans have lost their jobs, their homes and their businesses in the recession that the crisis sparked, the worst economic decline since the Great Depression. Behind every number we cite are American families who are still suffering the effects of a man-made economic catastrophe.

"Our Subcommittee's goal is to construct a record of the facts in order to deepen public understanding of what went wrong; to inform the ongoing legislative debate about the need for financial reform; and to provide a foundation for building better defenses to protect Main Street from the excesses of Wall Street.

"Our first hearing dealt with the impact of high-risk mortgage lending, and focused on a case study of Washington Mutual Bank, known as WaMu, a thrift whose leaders embarked on a reckless strategy to pursue higher profits by emphasizing high-risk exotic loans. WaMu didn't just make loans that were likely to fail, creating hardship for borrowers and risk for the bank. It also built a conveyor belt that fed those toxic loans into the financial system like a polluter dumping poison into a river. The poison came packaged in mortgage-backed securities that WaMu sold to get the enormous risk of these loans and their growing default rates off its own books, dumping that risk into the financial system.

"Our second hearing examined how federal regulators saw what was going on, but failed to rein in WaMu's reckless behavior. Regulation by the Office of Thrift Supervision that should have been conducted at arm's length was instead done arm in arm with WaMu. OTS failed to act on major shortcomings it observed, and it thwarted other agencies from stepping in.

"Our third hearing dealt with credit rating agencies, specifically case studies of Standard & Poor's and Moody's, the nation's two largest credit raters. While WaMu and other lenders dumped their bad loans into the river of commerce and regulators failed to stop their behavior, the credit rating agencies assured everyone that the poisoned water was safe to drink, slapping AAA ratings on bottles of high risk financial products. The credit rating agencies operate with an inherent conflict of interest - their revenue comes from the same firms whose products they are supposed to critically analyze, and those firms exert pressure on rating agencies who too often put market share ahead of analytical rigor.

"Today we will explore the role of investment banks in the development of the crisis. We focus on the activities during 2007 of Goldman Sachs, one of the oldest and most successful firms on Wall Street. Those activities contributed to the economic collapse that came full-blown the following year.

Goldman Sachs and other investment banks, when acting properly, play an important role in our economy. They help channel the nation's wealth into productive activities that create jobs and make economic growth possible, bringing together investors and businesses and helping Americans save for retirement or a child's education.

“That's when investment banks act properly. But in looking at this crisis, it's hard not to echo the conclusion of another congressional committee, which found, “The results of the unregulated activities of the investment bankers ... were disastrous.” That conclusion came in 1934, as the Senate looked into the reasons for the Great Depression. The parallels today are unmistakable.

“Goldman Sachs proclaims “a responsibility to our clients, our shareholders, our employees and our communities to support and fund ideas and facilitate growth.” Yet the evidence shows that Goldman repeatedly put its own interests and profits ahead of the interests of its clients and our communities. Its misuse of exotic and complex financial structures helped spread toxic mortgages throughout the financial system. And when the system finally collapsed under the weight of those toxic mortgages, Goldman profited from the collapse. The evidence also shows that repeated public statements by the firm and its executives provide an inaccurate portrayal of Goldman's actions during 2007, the critical year when the housing bubble burst and the financial crisis took hold. The firm's own documents show that while it was marketing risky mortgage-related securities, it was placing large bets against the U.S. mortgage market. The firm has repeatedly denied making those large bets, despite overwhelming evidence.

“Why does this matter? Surely there is no law, ethical guideline or moral injunction against profit. But Goldman Sachs didn't just make money. It profited by taking advantage of its clients' reasonable expectation that it would not sell products that it didn't want to succeed, and that there was no conflict of economic interest between the firm and the customers it had pledged to serve. Goldman's actions demonstrate that it often saw its clients not as valuable customers, but as objects for its own profit. This matters because instead of doing well when its clients did well, Goldman Sachs did well when its clients lost money. Its conduct brings into question the whole function of Wall Street, which traditionally has been seen as an engine of growth, betting on America's successes and not its failures....”

[Note: There are 10 U.S. Senators on this Subcommittee. It is common procedure in hearings—in both the U.S. House of Representatives and the U.S. Senate—for the Chairman (of the committee or subcommittee), and the highest ranking member of the other party, to make significant opening statements, to provide some context for the hearing—and for other members to make shorter statements.]

2) “Wall Street and the Financial Crisis: The Role of Investment Banks” (“...the jargon is complicated, the transactions are complicated—you've relied on that complicated situation to avoid a lot of scrutiny.”)

Here is the opening statement of Sen. Claire McCaskill, from the same hearing (above):

[Wall Street and the Financial Crisis: The Role of Investment Banks," and was held on Tuesday, April 27, 2010, at 10:00 a.m., in Room 106 of the Dirksen Senate Office Building] *Webcast accessible from www.cspan.org Program title: “Investment Banks and the Financial Crisis, Directors” April 27, 2011 (at*

<http://www.c-spanvideo.org/program/293196-1>) (Sen. McCaskill's comments run from 39:50 to 42:40)(confirmed July 24, 2011)

“Thank you, Mr. Chairman. You know, in the good old days of investment banking, (it was--), they were considered very honorable and proud institutions—our investment bankers of Wall Street—they provided financial services: investment of capital in good businesses, helping government with assistance to issue bonds to build the great infrastructures of our nation. Then you fast forward through the public offerings of all these companies (to the date) when the risk of these companies shifted from the main partners to the nameless faceless shareholders. And you fast forward a little bit further, and you land right at the feet of synthetic CDOs.

“Now, I got to be honest, I think that if we had to put the odds on this hearing today you guys would probably have odds in your favor, because the jargon is complicated, the transactions are complicated—you’ve relied on that complicated situation to avoid a lot of scrutiny.”

“We have spent a lot of time going through all these documents, and let me just explain, in very simple terms, what synthetic CDOs are. They are instruments that are created so that people can bet on them. It’s the “la-la land” of ledger entries. It’s not investment in a business that has a good idea; it’s not assisting local government in building infrastructure. It’s gambling. Pure and simple—raw gambling. They’re called synthetic because there’s nothing there—but the gamble, but the bet. You are the bookie; you are the house. You have less oversight and less regulation—as you all began this “wild wild west” of tranches, waterfalls, equity tranches, residual warehousing—as you began all that, you had less oversight than a pit boss in Las Vegas.

“And I got to tell ya—and it’s not just you—all of you were lemming like; you were chasing each other—what you worried about most was a bad article in the *Wall Street Journal*, not a regulator. You were chasing compensation, you were chasing your colleagues and other investment banks—and you were trying to make a killing. But let me just tell ya—you think it’s so complicated, and you think you’re so smart—any street gambler would never place a bet with a bookie or a house with the record that is revealed in the documents that this committee has gathered.

“Thank you, Mr. Chairman.”

3) Federal Debt—Presidential Debt Commission

From the introduction to the segment titled “Debt Commission Meets: Recommends Dramatic Budget Cuts” (December 1, 2010) at www.cspan.org (see <http://www.c-span.com/Events/Debt-Commission-meets/20027/>) (confirmed April 3, 2011)

“The Presidential Debt Commission charged with finding bi-partisan solutions to erase the United States' \$13.8 trillion budget deficit issued their recommendations which includes dramatic cuts in military spending, a higher retirement age and tax reforms. “

From the Preamble to the Presidential Debt Commission’s final report “The Moment of Truth” Accessible at the website of the National Commission on Fiscal Responsibility and Reform (see

http://www.fiscalcommission.gov/sites/fiscalcommission.gov/files/documents/TheMomentofTruth12_1_2010.pdf) (confirmed April 3, 2011)

“Throughout our nation’s history, Americans have found the courage to do right by our children’s future. Deep down, every American knows we face a moment of truth once again. We cannot play games or put off hard choices any longer. Without regard to party, we have a patriotic duty to keep the promise of America to give our children and grandchildren a better life.

“Our challenge is clear and inescapable: America cannot be great if we go broke. Our businesses will not be able to grow and create jobs, and our workers will not be able to compete successfully for the jobs of the future without a plan to get this crushing debt burden off our backs.

“Ever since the economic downturn, families across the country have huddled around kitchen tables, making tough choices about what they hold most dear and what they can learn to live without. They expect and deserve their leaders to do the same. The American people are counting on us to put politics aside, pull together not pull apart, and agree on a plan to live within our means and make America strong for the long haul.

“As members of the National Commission on Fiscal Responsibility and Reform, we spent the past eight months studying the same cold, hard facts. Together, we have reached these unavoidable conclusions: The problem is real. The solution will be painful. There is no easy way out. Everything must be on the table.”

4) “The U.S. National Debt and How It Got So Big”
By [Kimberly Amadeo](#), About.com Guide

What the U.S. National Debt Is:

“(Updated August 10, 2011) The U.S. debt is over \$14.5 trillion, and is the sum of all outstanding debt owed by the Federal Government. Nearly two-thirds is the public debt, which is owed to the people, businesses and foreign governments who bought [Treasury bills, notes and bonds](#).

“The rest is owed by the government to itself, and is held as Government Account securities. Most of this is owed to [Social Security](#) and other trust funds, which were running surpluses. These securities are a promise to repay these funds when Baby Boomers retire over the next 20 years. (Source: U.S. Treasury, [Debt to the Penny](#); [Debt FAQ](#))

The Size of the U.S. Debt:

“The U.S. debt is the largest in the world. How did it get so large? Purchasers of Treasury bills still reasonably expect the U.S. economy to recover enough to pay them back. For foreign investors like China and Japan, the U.S. is such a large customer it is allowed to run a huge tab so it will keep buying exports. (Source: [CIA World Factbook](#))

“Even before the economic crisis, the U.S. debt grew 50% between 2000-2007, ballooning from \$6-\$9 trillion. The [\\$700 billion bailout](#) helped the debt grow to \$10.5 trillion by December 2008.

The U.S. Debt Level:

“The debt level is the debt as a percent of the total country's production, or [GDP](#), which was \$14.7 trillion in 2010. The debt nearly 100% of GDP, up from 51% in 1988.

“Interest on the debt was \$414 billion in [Fiscal Year](#) 2010, higher than the \$383 billion in FY 2009, but lower than its peak of \$451 billion in FY 2008. That's because of lower interest rates. The interest on the debt is the fifth largest [Federal budget item](#), after [Defense and Security spending](#) (\$890 billion), Social Security (\$730 billion) and Medicare (\$490 billion). (Source: U.S. Treasury, [Interest](#))

How Did the Debt Get So Large?:

“Government debt is an accumulation of [budget deficits](#). Year after year, the government cut taxes and increased spending. In the short run, the economy and voters benefited from deficit spending. Usually, however, holders of the debt want larger interest payments to compensate for what they perceive as an increasing risk that they won't be repaid. This added interest payment expense usually forces a government to keep debt within reasonable limits.

“The U.S. also has a [debt ceiling](#), which attempts to limit the debt. However, Congress usually raises the ceiling to prevent the negative consequences of a [debt default](#).

“The most recent budget forecast from the Office of Management and Budget (OMB) showed the FY 2011 budget deficit at \$1.3 trillion, more than the \$1.17 trillion deficit for FY 2010, but down from the \$1.7 trillion deficit for FY 2009. This was a result of the [economic stimulus package](#), the [2008 government bailout measures](#) and the roughly \$800 billion a year defense/security spending. The deficit is also caused by reduced income from the recession, as well as the EGTRRA and JGTRRA tax cuts and the Alternative Minimum Tax patch. (Source: OMB, Federal Budget Deficit)

“The U.S., however, has been the beneficiary of two unusual factors. First, the [Social Security Trust Fund](#) took in more revenue through payroll taxes leveraged on Baby Boomers than it needed. Ideally, this money should have been invested to be available when the Boomers retire. In reality, the Fund was “loaned” to the government to finance increased deficit spending. This interest-free loan helped keep Treasury Bond interest rates low, allowing more debt financing. However, it's not really a loan, since it can only be repaid by increased taxes when the Boomers do retire.

“Second, foreign countries increased their holdings of Treasury Bonds as a safe haven, also keeping interest rates low. These holdings went from 13% in 1988 to 31% in 2011. During the recession, countries like China and Japan increased their holdings of Treasuries to keep their currencies low relative to the dollar. Even though China warns the U.S. to lower its debt, it keeps buying more Treasuries. For more, see [How China Affects the U.S. Economy](#).

“Of the total foreign holdings (\$4.49 trillion), China owns \$1.1 trillion and Japan owns \$900 billion. The U.K. owns \$300 billion, while Brazil, the oil exporting countries, Hong Kong, Russia and Canada own between \$100-\$280 billion each. The Bureau of International Settlements suspects that much of the holdings by Belgium, Caribbean Banking Centers and Luxembourg are fronts for more oil-exporting countries, or hedge funds, that do not wish to be identified. (Source: [Foreign Holding of U.S. Treasury Securities](#), April 2011; U.S. Treasury report [“Petrodollars and Global Imbalances”](#), February 2006)

How The U.S. Debt Affects the Economy:

“Over the next 20 years, the Social Security funds must be paid back as the Baby Boomers retire. Since this money has been spent, resources need to be identified to repay this loan. That would mean higher taxes, since the high U.S. debt rules out further loans from other countries. Unfortunately, it's most likely that these benefits will be curtailed, either to retirees younger than 70, or to those who are high income and therefore theoretically don't need Social Security.

“Second, many of the foreign holders of U.S. debt are investing more in their own economies. Over time, diminished demand for U.S. Treasuries could increase interest rates, thus slowing the economy. Furthermore, anticipation of this lower demand puts downward pressure on the dollar. That's because dollars, and dollar-denominated Treasury Securities, may become less desirable, so their value declines. As the dollar declines, foreign holders get paid back in currency that is worth less, which further decreases demand.

“The bottom line is that the large Federal debt is like driving with the emergency brake on, further slowing the U.S. economy.”

5) Statistics—U.S. Government Debt, Liabilities, and Unfunded Obligations

(From <http://www.justfacts.com/nationaldebt.asp>) (footnotes relate to sources referenced at the justfacts.com webpage)

* As of December 22, 2011, the official debt of the United States government is \$15.1 trillion (\$15,123,728,427,980).^[1] This amounts to:

- \$48,380 for every person living in the U.S.^[2]
- \$127,431 for every household in the U.S.^[3]

* Publicly traded companies are legally required to account for "explicit" and "implicit" future obligations such as employee pensions and retirement benefits.^{[5] [6] [7]} The federal budget, which is the "federal government's primary financial planning and control tool," is not bound by this rule.^{[8] [9]}

* As of September 30, 2010 (the end of the federal government's fiscal year), the federal government has:

- \$7.3 trillion (\$7,297,000,000,000) in liabilities such as federal employee retirement and veterans' benefits^[10]
- \$17.2 trillion (\$17,195,000,000,000) in unfunded obligations for the Social Security program
- \$22.8 trillion (\$22,800,000,000,000) in unfunded obligations for the Medicare program
- \$122 billion (\$122,000,000,000) in unfunded obligations for two other "social insurance" programs called "Black Lung" and "Railroad Retirement"^[11]

These unfunded obligations are referred to as "closed group present values" and are calculated in a manner that approximates how publicly traded companies are required to calculate their debts and obligations.^{[12][13] [14]} The figures represent how much money must be immediately placed in interest-bearing investments to cover the shortfalls between projected revenues and expenditures for all current taxpayers and beneficiaries in these programs.^{[15] [16] [17]}

* Combining the figures above with the national debt and subtracting the value of federal assets, the federal government has \$56.5 trillion (\$56,529,800,000,000) in debt, liabilities, and unfunded obligations as of September 30, 2010. [\[18\]](#)

* This shortfall is 103% of the combined net worth of all U.S. households and nonprofit organizations, including all assets in savings, real estate, corporate stocks, private businesses, and consumer durable goods such as automobiles. [\[19\]](#) [\[20\]](#)

* This shortfall equates to:

- \$182,914 for every person living in the U.S. [\[21\]](#)
- \$480,949 for every household in the U.S. [\[22\]](#)

6) From a report titled “The Big Reset” (February, 2010—National Governors Association) (at <http://www.nga.org/files/live/sites/NGA/files/pdf/1002STATEGOVTAFTERGREATRECESSION.PDF;jsessionid=852338014C5212901D32931298852C0A>) (from p. 2, paragraph 1)(confirmed April 3, 2011)

“The post-recession economy may look very different in terms of leading and lagging sectors, concentration of industries, trade patterns and quantity, and countries of influence. Many workers will face new challenges to maintain or grow their income and pressures to learn new skills that match available jobs. The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt, possibly leading to higher interest rates, higher taxes, and tighter credit. Finally, American consumers—having lost substantial wealth—may not revive their spending spree, which helped drive the U.S. and many other economies before the recession.

“All of these factors portend a decade of growth much slower than experienced in the previous 30 years. Most troubling is the continuing weakness in employment....”

7) From article “Wall Street plummets as fear jumps on historic downgrade”—Ryan Vlastelica (August 8, 2011)

(at <http://www.reuters.com/article/2011/08/08/us-markets-stocks-idUSTRE7771O020110808>)

pg 1, 15-17

(Reuters) - U.S. stocks plunged on Monday in the heaviest volume since last year's "flash crash," taking the S&P 500 down more than 6 percent on growing fears of a recession, in the first session after the historic loss of the country's pristine triple-A credit rating.

Monday's global stock market sell-off wiped out more than \$1.35 trillion in investor wealth worldwide, according to the 5.2 percent drop in the MSCI World Index. The index began the week with a market value of \$26.42 trillion.

The S&P 500 alone lost \$729.3 billion in value with its drop for the day of 6.66 percent.

Late on Friday after the market's close, Standard & Poor's cut the United States' perfect long-term credit rating of AAA by one notch to AA-plus on concerns about debt levels in the world's largest economy.

8) From article "Stock Market losses threaten economic recovery as household income takes another hit"—Chris Kirkham (August 10, 2011)
(at http://www.huffingtonpost.com/2011/08/10/stock-market-us-economy_n_923646.html)

pgh 1-2, 4-6

With consumer spending already declining in recent months, economists say the plunge in the stock markets over the past month could deal another significant blow to Americans' spending habits -- a threat that could imperil any meaningful economic recovery.

[As trillions in household wealth has been erased over the past month](#), the psychological impact of large sell-offs extends from the wealthiest consumers to anyone with a retirement or pension plan tied into the markets.

The housing crisis has already eaten into household wealth over the past four years, wiping out more than \$11 trillion in wealth in 2008 alone, helping to deliver the first outright decline in consumer spending in a generation and bringing on the Great Recession.

Consumer spending roughly contributes to 70 percent of gross domestic product; therefore economists pay close attention to consumer confidence as a barometer of economic recovery.

According to a research note from J.P. Morgan Chase earlier this year, every 100-point drop in the S&P 500 index translated to a \$1 trillion loss in, and a 1.5 percent drop in consumption. Over the past month, the S&P 500 has dipped 223 points, which would translate to the disappearance of \$2.2 trillion in wealth, according to J.P. Morgan's metrics.

9) From article "\$6.3tn wiped off markets in 2011"—Robin Wigglesworth (December 30, 2011)
at <http://www.ft.com/intl/cms/s/0/483069d8-32f3-11e1-8e0d-00144feabdc0.html#axzz1i4WRzRDP>

"Almost \$6.3tn was erased from global stock markets this year as the eurozone financial crisis reverberated across the world in the latter half of 2011, calling into question the future of the world's largest currency bloc.

"Global stock market capitalisation dropped 12.1 per cent to \$45.7tn according to Bloomberg data, while the euro ended the year as the worst performing major currency after finally starting to succumb to the continent's financial and economic woes in December.

"The euro had proved resilient for much of the year – burning hedge funds that bet on a steeper decline – but on Friday touched a 10-year low against the Japanese yen, and is near lows against the dollar last touched a year ago.

“Investors were more optimistic at the start of the year, but as the year progressed they were forced to come to grips with the debt levels in the western world,” said Navtej Nandra, the international head of Morgan Stanley’s asset management arm.

“The S&P 500 is flat this year while the FTSE 100 has only dropped 5.5 per cent. But the Eurofirst 300 gauge of blue-chip European companies has lost 11 per cent, led by the French and Italian exchanges. “The MSCI Emerging Markets index has shed a fifth of its value despite strong growth in China and other emerging markets.

“Asian equity markets were hit particularly hard with Japan’s Nikkei index losing 17.3 per cent this year, Hong Kong’s Hang Seng index 20 per cent and the Shanghai Composite 22 per cent.

“Assets considered to be relative [havens](#) amid the turmoil have fared better. UK government yields hit a record low on Friday and gilts were the best performing major government bonds in 2011 – notching up 17 per cent returns, compared with US Treasuries’ 9.8 per cent returns and 10 per cent for German Bunds.

“Despite efforts by policymakers to shore up the eurozone, analysts and bankers expect next year to start on a glum note, as Europe continues to grapple with its debt crisis.

“One of the biggest immediate tests will be the hundreds of billions of euros worth of government and bank debt that comes due in the first three months of the year.

“Countries on Europe’s periphery, on the other hand, face funding costs that remain at near record highs, despite a series of summits that have unveiled various measures to restore investor confidence in the eurozone.

“There is more than €457bn of eurozone government debt due to be repaid in the first quarter of 2012, according to calculations by Citigroup. Italy has to repay almost €113bn in the first three months of next year – at a time when its funding costs remain elevated.

“Markets would love to think that this will be solved swiftly, but dealing with all these problems will take time,” said Philip Poole of HSBC Asset Management. “Bond yields will remain high until it’s clear how deep the eurozone recession will be and austerity packages are more fully implemented.”

“The European Central Bank lent €489bn to more than 500 banks earlier this month to ease concerns over bank funding, but has so far fought pressures to more actively buy eurozone government bonds directly.

“While the US economy is showing signs of recovery and most emerging market countries are still growing at a healthy clip, some investors fear that China’s economy could be facing a “hard landing” next year, posing yet another danger to the fragile global economy.

10) Consumer Debt

From an article titled “Taking Advantage of Debt Reform” at the website of the Center for Consumer Debt Reform (see paragraph 3, at <http://www.centerforconsumerdebtreform.com/how-to-eliminate-your-debt-with-debt-relief/>) (confirmed April 3, 2011)

“As of June 2010, the total U.S. consumer debt has reached the astronomical amount of \$2.42 trillion, and 58 million Americans are having problems every month to pay their monthly bills.”

11) Student Loans

From an article titled “Student Loan Debt Clock” at the website “R and B Solutions: Financial Literacy” (see paragraphs 1 and 2, at <http://www.randbsolutions.com/financialliteracy/news/debt-clock.html>) (confirmed April 3, 2011)

“The U.S. reached a very disturbing threshold this year when the amount of money owed for student loans exceeded the money piled up in credit card debt for the first time ever.

“In June 2010, the amount that Americans owed in revolving credit — most of which is credit card debt — was \$826.5 billion. Student loans outstanding just edged out that figure, adding up to \$829.7 billion. About \$300 billion of that was added in the last four years.”

12) “If you don’t believe that the growth rate is going to be that great, then you have to ask yourself some very fundamental questions....”

Commentary from Richard Ravitch (former Lt. Gov., New York) from a video accessible at cspan.org. Program was titled “Urban Institute: Challenges for New Governors: Budgets and Employment” (date of program: November 2, 2010) (timing of excerpts included at end of excerpts, video at <http://www.c-spanvideo.org/videoLibrary/event.php?id=187736&timeline>)

“If you believe the rate of growth of our economy is going to be what it was in the prior two decades, then there is arguably some justification for kicking the can forward and using borrowed money to cover today’s expenses. If you don’t believe that the growth rate is going to be that great, then you have to ask yourself some very fundamental questions.... it requires questioning every assumption you’ve ever made about what is good and worthy in public expenditures (ending at 48.16)....(and)... you have to question whether or not everyone, everyone is this whole economic system, isn’t going to have to—to use the vernacular—put some “skin in the game” to avoid a real catastrophe for our federal system.” (ending at 48.40)

We have to make some very, very tough choices in this society, the likes of which we’ve never had to make before... because austerity is now so compelling a fact in every micro decision that government makes.... I can’t begin to tell you how this process is going to work out, but I can tell you if it doesn’t there’s going to be some terrible things happening—because at some point somebody’s going to run out of cash.” (ending at 1:21.52)

B. A Timeline of articles on the European Debt Crisis, and Related Crises

1. August 3, 2011 "Default Avoided But Fears on Economy Remain"
2. August 3, 2011 "Debt Ceiling: Nearly Half of Americans Say Deal Makes Economy Worse"
3. August 4, 2011 "World Stocks Plunge to New 2011 Lows As Investors Seek Safe Havens"
4. August 5, 2011 "S & P Downgrades U.S. Debt Rating—Press Release"
5. August 6, 2011 "United States loses prized AAA credit rating from S & P"
6. August 6, 2011 "China blasts U.S. over debt problems, calls for dollar oversight"
7. August 8, 2011 "Wall Street plummets as fear jumps on historic downgrade"
8. August 9, 2011 "Market rout deepens global economic crisis"
9. August 13, 2011 "Spanish Towns Face Funding Crisis, Rack Up Debts"
10. September 14, 2011 "Europe is a Sovereign Debt Crisis and a Bank Solvency Crisis"
11. September 21, 2011 "Greece sharpens austerity; IMF warns on banks"
12. September 21, 2011 "Eurozone debt crisis threatens banks, rest of world: IMF"
13. September 22, 2011 "Euro Zone 'must act swiftly' to stave off Euro Crisis, leaders say"
14. September 22, 2011 "Warnings mount on Euro Crisis, BRICS mull more aid"
15. September 22, 2011 "Insight: Faith in policymakers plunges, taking markets with it"
16. September 22, 2011 "EU, US crises threaten developing world: World Bank"
17. September 23, 2011 "Interview with Nouriel Roubini"
18. September 24, 2011 "Timothy Geithner: ECB, European Governments must work together"
19. September 24, 2011 "IMF: Global Economy Entering Dangerous Phase"
20. October 3, 2011 "An Unsettling Trifecta for Market Contagion"
21. October 7, 2011 "Fitch cuts Italy, Spain ratings: outlook negative"
22. October 7, 2011 "Major U.S. Banks at Risk if European Debt Crisis Spreads"
23. October 10, 2011 "Special Report: China's debt pileup raises risks of hard landing"
24. October 10, 2011 "OECD indicators paints dark picture of global economy"
25. October 11, 2011 "Slovakia blocks euro rescue fund"
26. October 15, 2011 "G20 tells euro zone to fix debt crisis in eight days"
27. October 26, 2011 "European Leaders Agree on Crucial Plan to Reduce Greece's Debt"
28. November 9, 2011 "Analysis: Europe's Debt Crisis to Shake Corporate America"
29. November 12, 2011 "Italy braces for new government, IMF warns Asia on euro"
30. November 15, 2011 "France draws fire after 'alarm bells' warning"
31. November 18, 2011 "The Anatomy of Global Economic Uncertainty"
32. November 21, 2011 "Super Committee deal not reached, leaders say"
33. November 22, 2011 "U.S. may lose second triple A rating within months"
34. November 24, 2011 "Sarkozy, Merkel agree to stop sniping on ECB crisis"
35. November 27, 2011 "Struggling to stay above water"
36. November 27, 2011 "Europe on the Brink"
37. November 28, 2011 "Eurozone Crisis Threatens Global Economy"
38. November 28, 2011 "OECD urges monetary easing around the world"
39. November 28, 2011 "Germany, France press for coercive euro zone debt rules"
40. November 29, 2011 "Insight: In euro zone crises, companies plan for the unthinkable"
41. November 29, 2011 "Federal Reserve ready to shield U.S. from Euro Zone Crisis"
42. November 29, 2011 "S & P downgrades Goldman Sachs, Bank of America, Wells Fargo, and Citigroup"
43. November 30, 2011 "Central banks act as euro zone crisis rages"—Robin Emmett and Kirsten Donovan

44. November 30, 2011 "Dow Jones Industrial Average Jumps 490 Points; Biggest Gain Since March 2009"
45. November 30, 2011 "Analysis: Central Banks buy wiggle room, not solution"
46. December 1, 2011 "Swaps will get dollars into European Banks' Hands"
47. December 1, 2011 "'Central Banks' coordinated move has solved nothing"
48. December 2, 2011 "Geithner to urge Europe leaders to take action"
49. December 2, 2011 "Germany's Merkel fights for Euro, Cameron for UK"
50. December 2, 2011 "European Crisis could batter retirement funds of older Americans"
51. December 2, 2011 "Economic Situation and Fiscal Challenges" Speech by Jürgen Stark, Member of the Executive Board of the ECB,
52. December 3, 2011 "Debt funds needed in all Eurozone states: Germany" —
53. December 5, 2011 "Sarkozy, Merkel kick off week of crisis talks in Paris" —
54. December 5, 2011 "George Soros: Global Financial System in 'Self-Reinforcing Process of Disintegration'" —
55. December 5, 2011 "S&P piles pressure on Franco-German EU budget plan"
56. December 6, 2011 "Anxious Greeks Emptying Their Bank Accounts" —
57. December 8, 2011 "The Global Crisis Reaches China: Unrest Spreads As Growth Stalls"
58. December 8, 2011 "Stress Test Results: European Banks need 115 Billion Euros" —
59. December 9, 2011 "Europe secures agreement to draft new treaty for deeper integration" —
60. December 9, 2011 "EU path 'Could Threaten Eurozone Cohesion'" —
61. December 12, 2011 "Celebration succumbs to concern for Eurozone"
62. December 14, 2011 "Interview with Mario Draghi, President of the ECB"
63. December 14, 2011 "IEA warns oil prices threaten global economy" —
64. December 15, 2011 "No quick fix for eurocrisis in 2012"
65. December 15, 2011 "Fragile and Unbalanced in 2012"
66. December 15, 2011 "As EuroCrisis continues, Bank Downgrades, Credit Squeeze, Signal Return to 2008"
67. December 16, 2011 "Fitch: Comprehensive Euro zone deal 'beyond reach'" —
68. December 18, 2011 "Eurozone to push on with crisis steps, Fitch doubts outcome"
69. December 19, 2011 Hearing at the Committee on Economic and Monetary Affairs of the European Parliament--Introductory statement Mario Draghi, President of the ECB, Brussels
70. December 19, 2011 "Beyond Borders: Europeans Stash Money Elsewhere"
71. December 19, 2011 "Hedge fund bells are ringing over China"
72. December 21, 2011 "The European Debt Crisis: A Beginner's Guide"
73. December 21, 2011 "ECB Lends \$641 Billion to European Banks" —
74. December 21, 2011 "Banks Gorge on ECB loans, market cheer short-lived"
75. December 21, 2011 "A Central Bank Doing What It Should"
76. December 21, 2011 "Fitch again warns U.S. debt burden threatens AAA rating"
77. December 22, 2011 "Italy passes \$40 billion austerity plan"
78. December 25, 2011 "IMF's Lagarde warns global economy threatened"
79. December 26, 2011 "Currency agreement for Japan and China"
80. December 27, 2011 "Banks Bunker Hundreds of Billions in Deposits at ECB"
81. December 27, 2011 "Restoring European Growth"
82. December 27, 2011 "Iran threatens to stop Gulf oil if sanctions widened"
83. December 28, 2011 "New Greek Government Runs Out of Steam"
84. December 29, 2011 "Italy seeks bigger euro fund after tough debt sale"
85. December 29, 2011 "Europe's Banks Face Pressure on Collateral" —
86. December 29, 2011 "U.S. Saudi fighter jet sale to help offset Iran" —

87. December 29, 2011 "With \$30 Billion Arms Deal, U.S. bolsters Saudi ties
88. December 30, 2011 "\$6.3 trillion wiped off stock markets in 2011"
89. January 2, 2012 "Germany and Europe Expect a Tough 2012"
90. January 4, 2012 "Europe takes bold step toward a ban on Iranian oil
91. January 4, 2012 "U.S.-Iran Tensions: Mideast showdown builds as U.S. tightens ties to Israel"
92. January 5, 2012 "Screws tighten on Iran as big buyers shun its oil
93. January 18, 2012 "World Bank warns emerging nations"
94. January 18, 2012 "World Bank slashes global GDP forecasts, outlook grim"

1. August 3, 2011

"Default Avoided But Fears on Economy Remain"—Andy Sullivan and Jeff Mason
(at <http://www.reuters.com/article/2011/08/03/us-usa-debt-idUSTRE7646S620110803>)

pgh 1-4

(Reuters) – The United States stepped back from the brink of default on Tuesday but congressional approval of a last-ditch deficit-cutting plan failed to dispel fears of a credit downgrade and future tax and spending feuds.

President Barack Obama and lawmakers from across the political divide expressed relief over the hard-won compromise to raise the country's borrowing authority after weeks of rancorous partisan battles.

Nevertheless, U.S. stocks tumbled, turning negative for the year, as investors shifted their attention to the increasingly grim state of the U.S. economy and the potential for a downgrade of America's gold-plated debt rating.

That risk grew when one of the three major ratings agencies said it was affirming the U.S. government's AAA-rated sovereign debt but slapping it with a negative outlook.

2. August 3, 2011

"Debt Ceiling: Nearly Half of Americans Say Deal Makes Economy Worse"—Alexander Eichler
(at http://www.huffingtonpost.com/2011/08/03/debt-ceiling-deal-poll_n_917723.html)

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Americans who predict negative economic fallout from the debt deal are in good company. A raft of analysts and commentators have warned that the agreement -- which calls for \$900 billion in spending cuts now, with either \$1.2 trillion or \$1.5 trillion in additional cuts to follow -- will do nothing to promote growth.

The deal makes no provisions for economic stimulus, and it fails to extend emergency unemployment benefits and a temporary payroll tax cut, two measures that have kept a bit of money flowing to consumers.

An economist at JPMorgan predicted that the deal would result in a 1.5 percent decline in GDP for 2012 -- an especially discouraging estimate given that GDP for 2011 has grown at an annualized rate of just 0.8 percent, according to the most recent Commerce Department figures.

And even though the agreement calls for substantial spending cuts, it may not be enough to stave off a credit downgrade of the United States, which would have a fundamental and unpredictable effect on markets.

3. August 4, 2011

“World Stocks Plunge to New 2011 Lows As Investors Seek Safe Havens” —Reuters
(at http://www.huffingtonpost.com/2011/08/04/stocks-down-world-s-p-dow-jones_n_918257.html)

pgh 1

NEW YORK (Reuters) - World stocks plunged to new 2011 lows Thursday as worries about a global slowdown intensified and investors piled more money into safe-haven assets like bonds.

pgh 4-8

Officials moved to calm markets and ease volatility around the world, with the largest move coming from Tokyo, where the government spent an estimated 1 trillion yen (\$13 billion) to stem the strength of its currency.

The intervention comes a day after an unexpected cut in interest rates by Switzerland to weaken the franc.

Safe-haven assets like the Swiss franc, the yen and gold have spiked this week as investors fret that governments around the world are planning spending cuts at a time of slowing global economic growth. Government moves are seen as just temporarily reversing the trend.

“They're trying to fight a futile battle,” said Ankita Dudani, currency strategist at RBS. “It won't have a lasting impact so long as the euro-zone crisis continues and the global (economic) outlook deteriorates.”

The latest spate of economic data points to slowing demand in the United States, while the euro zone grapples with the spread of its debt crisis to Spain and Italy, where borrowing costs have increased sharply.”

pgh 15-17

The European Central Bank kept interest rates unchanged on Thursday, but traders said the central bank has been buying bonds of peripheral euro-zone countries in an effort to keep rates lower.

German Bunds gained, while Italian and Spanish government bond yields rose in volatile trade on Thursday, after a euro- zone monetary source said the European Central Bank was only planning to buy Portuguese and Irish bonds.

Markets were unconvinced the ECB bond buying will be effective in stopping contagion and some were disappointed that Italian and Spanish bonds, whose yields climbed above 6 percent recently, were not the target of the purchases.

4. August 5, 2011

“S & P Downgrades U.S. Debt Rating—Press Release”

(from Wall Street Journal’s “MarketBeat” section)

(at <http://blogs.wsj.com/marketbeat/2011/08/05/sp-downgrades-u-s-debt-rating-press-release/>)

pgh 4-5

“– More broadly, the downgrade reflects our view that the effectiveness, stability, and predictability of American policymaking and political institutions have weakened at a time of ongoing fiscal and economic challenges to a degree more than we envisioned when we assigned a negative outlook to the rating on April 18, 2011.

“– Since then, we have changed our view of the difficulties in bridging the gulf between the political parties over fiscal policy, which makes us pessimistic about the capacity of Congress and the Administration to be able to leverage their agreement this week into a broader fiscal consolidation plan that stabilizes the government’s debt dynamics any time soon.”

5. August 6, 2011

“United States loses prized AAA credit rating from S & P” —Walter Brandimarte and Daniel Bases

(at <http://www.reuters.com/article/2011/08/06/us-usa-debt-downgrade-idUSTRE7746VF20110806>)

pgh 1-3

(Reuters) – The United States lost its top-tier AAA credit rating from Standard & Poor's on Friday in an unprecedented blow to the world's largest economy in the wake of a political battle that took the country to the brink of default.

S&P cut the long-term U.S. credit rating by one notch to AA-plus on concerns about the government's budget deficit and rising debt burden. The action is likely to eventually raise borrowing costs for the American government, companies and consumers.

"The downgrade reflects our opinion that the fiscal consolidation plan that Congress and the Administration recently agreed to falls short of what, in our view, would be necessary to stabilize the government's medium-term debt dynamics," S&P said in a statement."

6. August 6, 2011

“China blasts U.S. over debt problems, calls for dollar oversight” --Reuters

(at <http://www.reuters.com/article/2011/08/06/us-china-sp-idUSTRE7750R720110806>)

(pgh 1-8)

(Reuters) – China roundly condemned the United States for its "debt addiction" and "short sighted" political wrangling and said the world needed a new stable global reserve currency.

In a harshly-worded commentary by the official Xinhua news agency on Saturday, China gave its first official comments on the United States losing its gilded AAA long-term credit rating from Standard & Poor's.

"China, the largest creditor of the world's sole superpower, has every right now to demand the United States address its structural debt problems and ensure the safety of China's dollar assets," Xinhua said.

China also urged the United States to apply "common sense" to "cure its addiction to debts" by cutting military and social welfare expenditure.

"The U.S. government has to come to terms with the painful fact that the good old days when it could just borrow its way out of messes of its own making are finally gone," Xinhua wrote.

China also said further credit downgrades would very likely undermine the world economic recovery and trigger fresh rounds of financial turmoil.

"International supervision over the issue of U.S. dollars should be introduced and a new, stable and secured global reserve currency may also be an option to avert a catastrophe caused by any single country," Xinhua said.

Chinese economists said the U.S. credit rating downgrade posed a great risk to financial markets and they expected it to prompt China, the world's biggest holder of U.S. Treasuries, to accelerate the diversification of its holdings.

7. August 8, 2011

"Wall Street plummets as fear jumps on historic downgrade"—Ryan Vlastelica

(at <http://www.reuters.com/article/2011/08/08/us-markets-stocks-idUSTRE77710020110808>)

pgh 1, 15-17

(Reuters) – U.S. stocks plunged on Monday in the heaviest volume since last year's "flash crash," taking the S&P 500 down more than 6 percent on growing fears of a recession, in the first session after the historic loss of the country's pristine triple-A credit rating.

Monday's global stock market sell-off wiped out more than \$1.35 trillion in investor wealth worldwide, according to the 5.2 percent drop in the MSCI World Index. The index began the week with a market value of \$26.42 trillion.

The S&P 500 alone lost \$729.3 billion in value with its drop for the day of 6.66 percent.

Late on Friday after the market's close, Standard & Poor's cut the United States' perfect long-term credit rating of AAA by one notch to AA-plus on concerns about debt levels in the world's largest economy.

8. August 9, 2011

"Market rout deepens global economic crisis"—Koh Gui Qing and John Chalmers
(at <http://www.reuters.com/article/2011/08/09/us-crisis-idUSL6E7J707B20110809>)

pg 1, 20-21, last two paragraphs

(Reuters) – The global economy stumbled deeper into crisis as stock markets slumped further on Tuesday, with investors losing confidence that the United States and Europe can rein in their debt burdens quickly and avert a double-dip recession.

"Four years into the financial crisis, it is becoming increasingly clear that the biggest deficit is not in credit, but credibility," Harvard University economist Kenneth Rogoff wrote in the Financial Times.

"Markets can adjust to a downgrade of global growth, but they cannot cope with a spiraling loss of confidence in leadership and a growing sense that policymakers are disconnected from reality."

Traders said the ECB was again seen buying Italian and Spanish debt on Tuesday after it agreed on Sunday to broaden its bond-buying program for the first time to halt an attack on the Mediterranean countries. Italian and Spanish yields declined sharply.

The ECB move was seen as only a temporary solution, however, due to the sheer size of Italy's bond market -- \$1.6 trillion -- and there are doubts in the market it can be sustained.

9. August 10, 2011

"Stock Market losses threaten economic recovery as household income takes another hit"—Chris Kirkham
(at http://www.huffingtonpost.com/2011/08/10/stock-market-us-economy_n_923646.html)

pg 1-2, 4-6

With consumer spending already declining in recent months, economists say the plunge in the stock markets over the past month could deal another significant blow to Americans' spending habits -- a threat that could imperil any meaningful economic recovery.

As trillions in household wealth has been erased over the past month, the psychological impact of large sell-offs extends from the wealthiest consumers to anyone with a retirement or pension plan tied into the markets.

The housing crisis has already eaten into household wealth over the past four years, wiping out more than \$11 trillion in wealth in 2008 alone, helping to deliver the first outright decline in consumer spending in a generation and bringing on the Great Recession.

Consumer spending roughly contributes to 70 percent of gross domestic product; therefore economists pay close attention to consumer confidence as a barometer of economic recovery.

According to a research note from J.P. Morgan Chase earlier this year, every 100-point drop in the S&P 500 index translated to a \$1 trillion loss in, and a 1.5 percent drop in consumption. Over the past month, the S&P 500 has dipped 223 points, which would translate to the disappearance of \$2.2 trillion in wealth, according to J.P. Morgan's metrics.

9. August 13,2011

“Spanish Towns Face Funding Crisis, Rack Up Debts” —Alan Clendenning
(at http://www.huffingtonpost.com/2011/08/14/spain-debt-crisis_n_926446.html)

pg 3, 5, 12-17

Spain's 8,115 municipalities are being hit by a crushing revenue hangover from a nearly two-decade building boom that went bust in 2008. Officials in Moratalla believe they are the first in Spain to publicly declare their town is on the verge of going broke – and that the only way out is an unprecedented program of drastically reducing services while boosting local taxes and fees in an austerity drive that could last eight years.

There is growing concern in Spain that municipalities and regional governments are increasingly in danger of being unable to meet their obligations. Just this week in the region of Castilla la Mancha, not far from Moratalla, three out of every four pharmacies closed in a "strike" to protest late payment on euro125 million (\$178.12 million) owed to them by the regional government for prescription drugs citizens get from Spain's regionally controlled national health care system.

Arahetes says Spain's federal government must consider a controversial reform to mandate the mergers of small communities so they can band together to save on costs, at least for smaller towns numbering 400 people or fewer that have their own municipal governments.

"The territorial distribution of towns in Spain is totally unsustainable and someone has to address this problem in a serious way," he said.

Greece did just that last year, turning its 1,034 municipalities into 325 to streamline services and cut waste and expenditures. The program is aimed at saving euro1.2 billion a year, but this cornerstone of Greece's bailout reforms generated nationwide protests.

In debt-troubled Italy on Friday, Premier Silvio Berlusconi's government issued an emergency decree that would abolish the provincial administrations of towns with fewer than 300,000 people, while small towns with fewer than 1,000 residents would merge with larger communities. Berlusconi said that overall 54,000 elected positions in provincial, regional and city governments would be eliminated.

In Moratalla, population 8,500, Soria cringed at the idea of merging with a neighboring town, but said his community is functioning in constant crisis mode. Two weeks ago, Moratalla's two gas stations stopped filling the tanks of municipal vehicles when the owners lost all faith the town would ever pay euro120,000 (\$170,000) in outstanding fuel bills.

"They have told us that they don't know when, how or even if they are going to be able to pay us," said Jose Antonio Martin, who owns one of the gas stations. He is convinced the town needs a bailout from the regional government of Murcia, though it has debt problems of its own.

10. September 14, 2011

"Europe is a Sovereign Debt Crisis and a Bank Solvency Crisis"—Robert Lenzner
(at http://www.huffingtonpost.com/robert-lenzner/europe-is-a-sovereign-deb_b_961105.html)

pgh 1, 3, 6-9

The European crisis looks to be worse than 2008 in the U.S. That's because it is both a sovereign debt problem for Greece, Portugal and possibly Spain, as well as a crisis for the European banking system, whose shares are losing value almost every day.

The quandary is: if the sovereigns are in trouble and contracting their economies, who is going to bail out the banks? If the risk of economic contraction has increased and the governments are in the mode of spending cuts, can the banks refinance themselves with their shares under severe selling pressure?"

I don't want to be an alarmist, but I am getting alarmed. Until US households repair their balance sheets -- and lower stock prices and home values aren't going to do it -- neither the US, the UK, Europe or Japan will be in a position to be the motivating force for a sustainable economic recovery -- and the end of what is looking to be a new bear market.

In short, the US can't grow while shrinking. Europe can't stabilize its debt while shrinking. Japan is in a slow stagnation. China can't grow savings and consumption at the same time. Maybe there's no policy solution for everyone, except muddling through at a much lower level of growth.

As Aaron Gurwitz, Global CIO of Barclays Wealth put it today, at bottom there is "uncertainty about the ability for European governments to meet their full debt service obligations."

You had better read that again. There is uncertainty about whether some European governments can service their outstanding debt obligations. As we already know, the US just raised the debt ceiling so it can continue to borrow to run the nation and service its debt.

11. September 21, 2011

"Greece sharpens austerity; IMF warns on banks"—George Georgiopoulos and Lesley Wroughton
(at <http://www.reuters.com/article/2011/09/21/us-eurozone-idUSL5E7KJ1NN20110921>)

pgh 1, 7, 16-17, 27-29

(Reuters) – Greece adopted yet more austerity measures on Wednesday to secure a bailout installment crucial to avoid running out of money next month, as the IMF warned that Europe's sovereign debt crisis risks tearing a giant hole in banks' capital.

"Risks are elevated and time is running out to tackle vulnerabilities that threaten the global financial system and the ongoing economic recovery," the IMF said in its Global Financial Stability Report."

But any agreement around a coordinated European plan appeared to be weeks away. French President Nicolas Sarkozy pointed to the next G20 leaders meeting in France on November 3 and 4.

"We have a lot of work to do, preparing the G20 in Cannes and on this subject our priority is how to help the world find the path to growth," Sarkozy said after he met with President Barack Obama on the sidelines of the United Nations in New York to discuss a global strategy for the fragile world economy ."

If banks are unable to raise more capital on financial markets then authorities might need to step in, although outright nationalizations are not necessary, he said.

Barclays Capital said European banks may need some 230 billion euros to preserve a 6 percent core Tier 1 ratio in the extreme case of 50 percent haircuts on all sovereign debt of Greece, Ireland, Portugal, Italy and Spain, and the likely deep recession that would follow. The figure would be far smaller if only Greece were provisioned.

European banking shares have suffered steep falls in recent weeks on concerns about the sector's exposure to debt issued by Greece, with French banks suffering some of the biggest losses as much as 40 percent.

12. September 21, 2011

"Eurozone debt crisis threatens banks, rest of world: IMF" (From The News International website) (at <http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=68631&Cat=3>)

pg 1, 3-6, 9, 12-14

BRUSSELS: The Eurozone's debt mountain poses a threat to the world economy, the International Monetary Fund (IMF) warned on Tuesday, putting pressure on European banks to boost their capital to survive the crisis.

"Should the periphery's debt crisis continue to propagate to core euro area economies, there could be significant disruption to global financial stability," the IMF said in its "World Economic Outlook."

European banks are "heavily exposed" to countries facing rising borrowing costs and lenders should make efforts to increase their capital following holes revealed by recent "stress tests" on the sector, the IMF said.

"A concern is that capitalisation of euro area banks is relatively low, and they rely heavily on wholesale funding, which is prone to freezing during financial turmoil," the report said.

Trouble in a few sovereigns could thus quickly spread across Europe. From there it could move to the United States by way of US institutional investors' holdings of European assets and to the rest of the world."

With European banks struggling to raise dollars from US lenders wary of their exposure to the debt crisis, the world's top central banks leapt into action last week to inject dollars into the sector.

"The IMF called for "speedy implementation" of the agreement that was reached at a July summit.

The package would expand the powers of the Eurozone's crisis fund, enabling it to buy bonds of distressed nations as well as support bank capitalisation.

The IMF, a participant in debt bailouts of Greece, Portugal and Ireland, said the European Central Bank should continue its extraordinary policy of buying bonds of weak states until the Eurozone implements the July measures.

13. September 22, 2011

"Euro Zone 'must act swiftly' to stave off Euro Crisis, leaders say" —Reuters
(at http://www.huffingtonpost.com/2011/09/22/euro-zone-must-act-swiftly_n_975835.html)

pgs 1-7, 13-16, last 5

FRANKFURT/OTTAWA (Reuters) - Seven world leaders on Thursday demanded Europe act more decisively to quell its debt crisis as a European Central Bank study warned that the entire euro currency project was now in peril.

As top finance officials gathered in Washington for meetings of the Group of 20 and International Monetary Fund, an open letter to G20 president France from the leaders of Australia, Canada, Indonesia, Britain, Mexico, South Africa and South Korea stressed the threat of the euro zone crisis spreading worldwide.

"Euro zone governments and institutions must act swiftly to resolve the euro crisis and all European economies must confront the debt overhang to prevent contagion to the wider global economy," the seven leaders wrote.

"The euro zone must look at all possible options to ensure long-term stability in the world's second largest international currency."

U.S. Treasury Secretary Timothy Geithner also stepped up his warnings to Europe, saying that stemming the crisis was more important than efforts to boost European growth, and that it was essential to provide enough resources to prevent a Greek default. But he expressed faith Europe would act.

"They recognize that if you let, as the United States did in the early part of 2008, the momentum of these concerns build, they're very hard to arrest, much more expensive to arrest," Geithner told a forum in Washington. "So you're going to see them act with more force in the coming weeks and months." World stocks fell sharply on Thursday as investors fretted over the grim global growth outlook....

The European Union's new super-watchdog, the European Systemic Risk Board, warned that the knock-on effects of the debt crisis that began in Greece in 2009 had led to considerably higher risks of financial instability in Europe."

The high inter-connectedness in the EU financial system has led to a rapidly rising risk of significant contagion. This threatens financial stability in the EU as a whole and adversely impacts the real economy in Europe and beyond.

The board, chaired by ECB President Jean-Claude Trichet, called for "decisive and swift action" from policymakers, widely seen as being slow in the fight to contain the crisis.

It said supervisors "should coordinate efforts to strengthen bank capital, including having recourse to backstop facilities, taking also into account the need for transparent and consistent valuation of sovereign exposures."

The crisis has raised pressure on European banks, and particularly French lenders, which are heavily exposed to Greece and other troubled euro zone sovereigns."

France's biggest bank, BNP Paribas denied a Reuters report that it was in talks with the Gulf state of Qatar on taking a stake in the bank.

Concerns over French banks' risk exposure has wiped tens of billions of euros off their market value in recent weeks and restricted their access to wholesale funding, particularly from U.S. funds.

A Qatar-based source close to the situation told Reuters late on Wednesday: "They (Qatar) have been talking to banks across France, given the tremendous need for capital."

Shares in BNP fell a further 3.0 percent and the other two big French lenders, Societe Generale and Credit Agricole, were both down more than 7 percent at 1430 GMT."

14. September 22, 2011

"Warnings mount on Euro Crisis, BRICS mull more aid"—David Lawder and Walter Brandimarte (at <http://www.reuters.com/article/2011/09/22/us-g-idUSTRE78L2F120110922>)

pgh 3-6

Euro zone governments and institutions must act swiftly to resolve the euro crisis and all European economies must confront the debt overhang to prevent contagion to the wider global economy," the leaders of [Australia](#), Canada, Indonesia, Britain, Mexico, South Africa and South Korea wrote in an open letter to France, chair of the Group of 20 leading economies.

Separately, officials from the so-called BRICS countries, including heavyweights China, [Brazil](#) and India, said they would consider giving more funds to the International Monetary Fund to boost global stability.

But India issued a reminder that developing countries were not in a position to bail out richer economies.

"We represent a group of countries where there is (an) enormous amount of demand for resources at home for poverty reduction," Reserve Bank of India Governor Duvvuri Subbarao said at a joint BRICS news conference in Washington.

15. September 22, 2011

"Insight: Faith in policymakers plunges, taking markets with it"—Steven C. Johnson
(at <http://www.reuters.com/article/2011/09/22/us-usa-markets-policy-idUSTRE78L6U720110922>)

pgh 1-4, 14-16, 24

(Reuters) – Europe's debt crisis looks more intractable than ever. The Federal Reserve appears to be shooting blanks when it comes to firing up the U.S. economy.

Add in signs that Chinese growth is slowing by the day, and it explains why financial markets took a hammering on Thursday, with global stock markets, oil, metals and even gold sliding.

And investors now fear there isn't much that authorities can do to stop the slide: central banks are running out of ammunition and political will among U.S. and European leaders is in short supply. Even as central bankers and [finance](#) ministers from the world's largest economies met in Washington, few were holding out hope for a miracle solution.

"People are losing confidence in policymakers altogether," said Kathy Lien, director of research at GFT Forex, an online retail currency platform. "If they keep failing to boost growth and confidence, we may see the kind of deep global crisis we saw three years ago."

David Gilmore, principal of currency advisory firm Foreign Exchange Solutions, said the lack of a common fiscal policy and bickering among national leaders does not inspire hope.

"I can't see how Europe avoids a major crash in asset prices, the euro and the banking system, and I can't see how anywhere else on the planet avoids serious contagion," he said.

Seven world leaders urged Europe on Thursday to "confront the debt overhang to prevent contagion to the wider global economy."

Bill Gross, manager of PIMCO, the world's largest bond fund, told Reuters in August, "It is increasingly apparent to us that policy options are limited and that economic growth is slowing down."

16. September 22, 2011

"EU, US crises threaten developing world: World Bank"—AFP (France 24; International News 24/7)

pgh 1-7

AFP – Heads of the World Bank and IMF on Thursday warned that Europe and the US needed to get control of their deteriorating economic crises or risk "suffocating" the global economy.

Opening the annual meetings of the two key global lenders, they also warned poorer countries to get their houses in order to be able to endure the fallout from the advanced-economy crises.

"Europe, Japan, and the United States must act to address their big economic problems before they become bigger problems for the rest of the world ... Not to do so is irresponsible," World Bank president Robert Zoellick said.

"Some developed country officials sound like their woes are just their business. Not so," he added. The primary problem dragging down global growth, the managing director of the International Monetary Fund, Christine Lagarde said, is the heavy government and household debts and capital-weak banks in the advanced economies.

This all "could actually suffocate the recovery," she said.

Calling the world "in a danger zone," Zoellick said he still believed that a return to recession in the US, Europe and Japan is unlikely.

"But my confidence in that belief is being eroded daily by the steady drip of difficult economic news. In 2008 many people said they did not see the turbulence coming. Leaders have no such excuse now," he added.

17. September 23, 2011

"Interview with Nouriel Roubini" — Emerging Markets (News, Analysis, and Opinions)
(at <http://www.emergingmarkets.org/Article/2906430/Interview-with-Nouriel-Roubini.html>)

(from questions 1, 2, 7, 9, 12

Fears have grown this week that we are on the verge of a new global financial crisis. What's your view?

In my view there is a high likelihood that there is going to be another global financial crisis. My data suggests that most advanced economies are already entering a recession. We're not any more in an anaemic recovery, we're not any more at stall speed. We're at the beginning of a contraction. I think there's a contraction already in most of the eurozone, there is a contraction in the US, also in the UK. That's the first point.

The second point is we're running out of policy bullets – monetary, fiscal – backstopping the financial system.

And third, the eurozone is a source of systemic risk. If there is a disorderly situation in the eurozone it's going to be worse than Lehman.

At this point it's not any more Greece or Ireland or Portugal. The contagion has spread to Italy and Spain. In the case of Italy and Spain the critical thing is that even if you believe that Italy and Spain are illiquid but solvent, even adjusting from the reforms, they've lost credibility in the markets. It's going to take them at least a year to regain it.

Therefore you need a lender of last resort to backstop the sovereigns until they regain the credibility to avoid spreads going up and leading to a self-fulfilling run. And there are only a very few options, none of them feasible. One of them is the [eurobonds]. It's going to take at least two years until they can pass that and it's going to be approved by a treaty.

The other option is the ECB doing the dirty job. But the ECB constitutionally, legally, is not allowed to be a systemic lender of last resort for sovereigns.

The third option is to triple the EFSF (European Financial Stability Facility). But they're not even able to pass the current extension of the EFSF. If tomorrow the Germans have to triple the EFSF, that is a political mission impossible.

So my worry is that the EFSF is going to run out of money and then there is not going to be a lender of last resort to backstop Italy and Spain. And that could be a source of a systemic break down of the eurozone, with global financial consequences worse than Lehman.

What can policymakers do now to minimize the inevitable fallout?

I wrote a paper recently in which I have an eight-point plan to highlight the kind of policies which are needed. One, much more monetary and quantitative easing, not just quantitative easing but credit easing. Two, short-term fiscal stimulus in the countries that can still do it. The US, UK, Germany, core of the Eurozone, Japan, it's the periphery that's doing fiscal retrenchment. You have to postpone the austerity. In the short-run, we need fiscal stimulus. We need to provide massive amounts of lender-of-last-resort support to Italy and Spain to make sure that illiquid but solvent sovereigns do not have a self-fulfilling run. We need an orderly restructuring of the debt of governments, of banks, of households that are insolvent. We need to have a massive recapitalization of the European banks through a TARP (Troubled Asset Relief Programme) type of programme for the European banks. We need to support emerging markets by providing monetary and fiscal support to the countries that are going to get in trouble, and to provide support through the IMF and other international financial institutions. We have to provide credit to small and medium-sized enterprises and households that are squeezed. We need to have also an orderly exit of countries that are not going to regain competitiveness in the eurozone, like Greece and potentially also Portugal. And you have to do this in a clear, holistic and front-loaded way. So there are many things that we need to do. I fear that the politicians in the US, in Europe, in UK are not going to have the political willingness to do it in their own countries, let alone coordinate it internationally.

How much time do we have left?

We have three months, through the end of the year. Given the current market pressure on Italy and Spain, the EFSF, even if it's approved, is going to run out of money....

...So unless we have a strategy to restore growth in the eurozone in the short run, there needs to be monetary policy easing on a massive scale: weakening of the euro, fiscal stimulus by Germany and the

core, backstopping Italy and Spain and doing anything else in terms of infrastructure spending to boost the growth of the periphery that's now spinning into a recession.

Unless all these things happen it's not going to be sustainable. So liquidity support is not enough. You need to restore growth not three years from now, not five years from now through structural reforms, you've got to do it today. Otherwise it's not going to be sustainable. And the eurozone now is spinning into a recession again.

Where does this all lead us? The risk in your view is of another Great Depression. But even respectable European politicians are talking not just an economic depression but possibly even worse consequences over the next decade or so. Bearing European history in mind, where does this take us?

In the 1930s, because we made a major policy mistake, we went through financial instability, defaults, currency devaluations, printing money, capital controls, trade wars, populism, a bunch of radical, populist, aggressive regimes coming to power from Germany to Italy to Spain to Japan, and then we ended up with World War II.

Now I'm not predicting World War III but seriously, if there was a global financial crisis after the first one, then we go into depression: the political and social instability in Europe and other advanced economies is going to become extremely severe. And that's something we have to worry about."

20 leaders are telling us that they simply need to keep markets calm until the EFSF is agreed in mid-October. Are they deluding themselves? If we don't get a meaningful statement this weekend what are we likely to see in the markets next week?

The uncertainty, the volatility, the risk aversion is rising. I fear they're not going to reach an agreement along the lines of what I've proposed and therefore there will be more turmoil, more uncertainty, more volatility, more risk aversion. And even approving the EFSF in the current format is not going to be enough. So if it's approved people are going to say 'hey it's not enough money.' Two, there's fiscal austerity but there is no growth. So Italy and Spain are toast unless we have triple or quadruple the amount of official resources to backstop them. So, much more needs to be done and I fear the G20 are not going to say anything meaningful in this regard.

18. September 24, 2011

"Timothy Geithner: ECB, European Governments Must Work Together" — Reuters
(at http://www.huffingtonpost.com/2011/09/24/timothy-geithner-ecb-european-governments_n_979001.html)

pgh 1, 3

WASHINGTON (Reuters) – Treasury Secretary Timothy Geithner told European governments on Saturday to eliminate the threat of a catastrophic financial crisis by working more closely with the European Central bank to boost the continent's bailout capacity.

The threat of cascading default, bank runs, and catastrophic risk must be taken off the table, as otherwise it will undermine all other efforts, both within Europe and globally. Decisions as to how to conclusively address the region's problems cannot wait until the crisis gets more severe," Geithner said.

19. September 24, 2011

"IMF: Global Economy Entering Dangerous Phase" —Martin Crutsinger
(at http://www.huffingtonpost.com/2011/09/24/imf-global-economy_n_979200.html)

pgh 1-4

WASHINGTON – Top global finance officials are pledging to work decisively and in a coordinated way to deal with a European debt crisis and other dangers confronting the global economy.

The International Monetary Fund's policy-setting committee says the economy has entered a dangerous new phase. The panel says close watching of the situation and a willingness to take bold actions quickly are crucial.

Officials say they're encouraged by the willingness of the 17 nations that share the euro currency to do what's needed to resolve Europe's debt crisis.

They say the IMF stands ready to strongly support further efforts. The IMF is already providing bailout support to three heavily indebted European countries – Greece, Portugal and Ireland.

20. October 3, 2011

"An Unsettling Trifecta for Market Contagion" —Mohamed A. El-Erian
(at http://www.huffingtonpost.com/mohamed-a-elerian/an-unsettling-trifecta-fo_b_992504.html)

pgh 1-4, 7, 9-12, 15-17

Friday's worldwide sell-off was a fitting end to a miserable month and a horrible quarter for equity markets.

The 14.3 percent quarterly loss in the S&P, a widely-followed index for the largest stock market in the world, was its worst performance since the fourth quarter of 2008 -- a particularly bad omen given the additional market collapse that followed in the first quarter of 2009 and that brought the world to the brink of a global economic depression. Meanwhile, market and economic narratives are dominated even more now by words such as alarm, anxiety, worry and, to quote from the latest Federal Reserve statement, "significant downside risk."

Is all this an exaggeration? Are markets stuck in an irrational cycle of self-feeding fear? Is the volatility, including eye-popping intra-day swings, just a head fake?

As much as I would like to say yes -- after all, the balance sheets and income statements of multinational companies are still rock solid -- the answer is no. The system is sending signals rather than making noise.

It is warning about the highly uncertain and rapidly deteriorating outlook for the global economy; also, it is lamenting astonishingly inept policy-making in far too many western economies."

We are here because of the interactions of three distinct, yet inter-related forces: poor economic growth, excessive contractual liabilities, and disappointing policy responses. The result is that western economies are getting trapped by the lethal combination of an unemployment crisis, a debt crisis, and mounting fragilities in the banking sector.

It should come as no surprise that, despite record low interest rates, companies with massive cash would rather stay on the sidelines than engage more fully in the global economy....

If the three underlying crises -- unemployment, debt and bank fragilities -- continue to be left unattended by policymakers, the de-leveraging of the global economy will accelerate in the next few weeks and months. Selling will beget selling. Economic weakness will sap the willingness to spend by those with healthy wallets. And, over time, strong balance sheets will be infected by the growing economic, financial, political and social malaise.

Only policymakers, supported by more enlightened politicians, can change this outlook. Fortunately, there is now heightened awareness in American and European policy circles of the severity of the situation.

The fear of impending generalized dislocations -- what the Managing Director of the IMF, Christine Lagarde, correctly labeled a "dangerous phase" -- must now transition into three effective responses: immediate circuit breakers in Europe (what I call "very important and very, very urgent"); structural reforms in emerging economies, Europe and the US ("very important and very urgent"); and demand stimulus in emerging economies, Germany, and the US ("bridging mechanisms").

Markets are in the unusual and very uncomfortable position of being wholly dependent on policymakers and politicians. The investment relevance of company analysis, no matter how good, pales in comparison to the importance of getting the policy calls correct.

Faced with this, investors should also remain cautious. Yes there are already opportunities but they will be even more attractive down the road given that the world is now subject to both a synchronized slowdown and de-leveraging.

Investors should wait for stronger evidence that policymakers have the willingness, ability and effective instruments to respond properly.

21. October 7, 2011

"Fitch cuts Italy, Spain ratings: outlook negative" —Gavin Jones
(at <http://www.reuters.com/article/2011/10/07/us-spain-ratings-fitch-idUSTRE7964HC20111007>)

pg 1-6, 8, 12-13, 20

(Reuters) - Fitch Ratings on Friday cut Italy's sovereign credit rating by one notch and Spain's by two, citing a worsening of the euro zone debt crisis and a risk of fiscal slippage in both countries.

The cuts underline the growing vulnerability of the euro zone, which is already struggling to contain the turmoil in the far smaller Greek economy and which would be overwhelmed by a crisis of a similar scale in [Italy](#).

Fitch cut Italy's rating to A+ from AA- and lowered Spain to AA- from AA+.

It kept both countries, respectively the third and fourth largest in the euro zone, on a negative outlook suggesting further downgrades could come in future.

Italy and Spain are embroiled in the region's debt crisis and are reliant on the European Central Bank to buy their government bonds to prevent yields rising to unsustainable levels.

"A credible and comprehensive solution to the (euro zone) crisis is politically and technically complex and will take time to put in place," the ratings agency said in separate statements explaining its downgrades of both countries.

After remaining on the fringes of the euro zone crisis until the summer, Italian benchmark 10-year bonds now yield around 5.5 percent, having overtaken Spain's yield of around 5 percent in a sign of markets' increasing unease about Italy.

Both yields would be higher but for the ECB, which was cited by traders as supporting both countries' bonds in the market again on Friday.

ING analyst Paolo Pizzoli said the downgrade should be seen as further pressure on the government to adopt growth enhancing structural reforms which were lacking from a recently approved austerity plan aimed at balancing the budget in 2013.

"There has been a chorus of appeals from the ECB, the EU and the IMF. They have all asked for structural reforms for growth and this (Fitch) is another element in that direction."

Fitch said both Spain and Italy were solvent but pointed to their weakening economic growth prospects and urged Italy, one of the world's most sluggish economies for over a decade, to make "a more radical and sustained economic reform effort."

22. October 7, 2011

"Major U.S. Banks at Risk if European Debt Crisis Spreads"—Bonnie Kavoussi
(at http://www.huffingtonpost.com/2011/10/06/banks-wall-street-europe-crisis_n_999204.html)

pgs 2-3, 5-7, 14-15

Although U.S. banks have limited their direct exposure to Greece, they have loaned hundreds of billions of dollars to European banks and governments that may not be able to pay them back, according to the Bank for International Settlements. If some European governments and banks are forced to default on at least part of their debt, American banks could lose a significant amount of money on that account alone.

The resulting panic from investors could compound the losses. Short-term borrowing costs would spike, bank stock prices would plummet and investors could demand their money from banks, several economists say. In a repeat of the liquidity crisis of 2008, some U.S. banks could run out of the money necessary to fund their day-to-day operations.

Some predict that a European financial crisis would spread quickly to U.S. shores. The pain would not come directly from government defaults; U.S. banks have loaned just \$36.2 billion to the five European governments that are in danger of defaulting: Greece, Ireland, Portugal, Spain and Italy. But U.S. banks have also loaned \$60.6 billion to banks in those five countries, and \$275.8 billion to banks in Germany and France, according to data from [the Bank for International Settlements](#).

A string of sovereign debt defaults would endanger the survival of major European banks, including those in France and Germany, which hold a large amount of troubled sovereign debt on their books, some economists note. According to Bryson, French banks' exposure to the five European countries that are in danger of defaulting amounts to 25 percent of France's gross domestic product, and the exposure of German banks to those countries is worth 15 percent of Germany's total output.

Sudden European government defaults could spur panicked investors to demand their deposits back from European banks, possibly forcing those banks to run out of money and declare bankruptcy. Several economists say that even if the European Central Bank steps in to save major European banks, some may partially default on U.S. bank loans to stay afloat -- an outcome that would cause major losses for U.S. banks and put them at risk of a bank run, when investors demand their deposits back all at the same time.

According to Brookings Institution economist Gary Burtless, "They [banks] become vulnerable precisely because so many of their operations are backed by short-term money. If the short-term money has fled, who do they find to fund their financial operations?"

If the economy had no central bank or active government, the answer would likely be no one, and U.S. banks would be in danger of going bankrupt. But considering the fact that [the Federal Reserve loaned \\$1.2 trillion to large banks](#) in 2008 to keep them afloat, some economists say that it is likely the Fed would go to the same extraordinary lengths to help save the financial system.

23. October 10, 2011

"Special Report: China's debt pileup raises risks of hard landing" —Kelvin Soh and Aileen Wang (at <http://www.reuters.com/article/2011/10/10/us-china-debt-idUSTRE79901L20111010>)

pg 1, 5-14

(Reuters) - When China announced a nearly \$600 billion package to ward off the 2008 global financial crisis, city planners across the country happily embarked on a frenzy of infrastructure projects, some of them of arguable need.

In a manner typical of many infrastructure projects in China, Chengdu more than doubled the size of its planned transport hub, borrowed 3 billion yuan (\$473 million) from a state bank to [finance](#) it, then set

out on a blistering construction timeline that saw the finishing touches put on the project two years later.

But instead of getting the accolades they expected for helping to stimulate the economy, Chengdu Communications and many of China's 10,000 local government financing vehicles (LGFV) have now come under a harsh spotlight for the grim side-effects of the construction binge.

China's local governments have piled up a mountain of bad debt, some of it to finance bridges to nowhere and other white elephant projects, which now threatens to constrict growth at a time when the global economy is sputtering. It is adding to other systemic risks in China, including a sharp downturn in the property market and a rapid rise in problematic loans.

Local governments had amassed 10.7 trillion yuan in debt at the end of 2010. The government expects 2.5 to 3 trillion yuan of that will turn sour, while Standard and Chartered reckons as much as 8 to 9 trillion yuan will not be repaid -- or about \$1.2 trillion to \$1.4 trillion.

In other words, the potential debt defaults could be even larger than the \$700 billion U.S. bail-out programme during the 2008 crisis.

Reuters reported in mid-year the government was working on a relief plan for local governments, including allowing them to tap the municipal bond market for the first time as an alternative to bank loans, which are becoming harder to get.

The risks of default are rising. Nearly 85 percent of the local government finance vehicle loans in northeast Liaoning province, for instance, missed debt service payments in 2010, an audit report posted on the Liaoning Daily website said.

But in visits and interviews at city-run vehicles around China, officials appeared unworried. They say they were only following Beijing's directives to keep growth on track, and the central government would surely step in to bail them out.

Perhaps their complacency is justified. Beijing, which holds more than \$3 trillion in foreign exchange reserves, certainly has the resources to rescue them, and has done so in the past -- it set up asset management companies to help China's top banks clean up mountains of bad loans in the late 1990s. But China is also vulnerable to a global downturn, and would need every piece of its economy performing well to avoid a serious slump. The infrastructure boom insulated the economy from a collapse in exports in 2008. Beijing has less firepower now. Inflation is uncomfortably high, and dumping more money into the economy would only make things worse.

24. October 10, 2011

“OECD indicators paint dark picture of global economy” —Vicky Buffery
(at <http://www.reuters.com/article/2011/10/10/us-economy-oecd-indicator-idUSTRE7991QT20111010>
)

pgh 1-5

(Reuters) - The outlook for the world's major economies is continuing to darken according to the latest data from the OECD published on Monday, which showed sharp falls in leading indicators for all countries except Japan.

The Paris-based Organization for Economic Cooperation and Development said its composite leading indicator (CLI) for its 33 member countries dropped for a fifth straight month in August, hitting 100.8 after 101.4 in July and signaling a slowdown in economic activity.

Individual country readings fell across the board, including for non-OECD member countries, with most seeing their CLIs drop below their long-term average of 100.

Only [Germany](#), Russia and the United States kept readings above 100. Japan, meanwhile, stood out as the only country not yet headed for a clear slowdown, registering a modest 1-point decline in its CLI to 102.5 from 102.6.

"For all other major economies, except Japan, the CLIs are now pointing strongly to a slowdown in economic activity below long-term trend," the OECD said.

25. October 11, 2011

"Slovakia blocks euro rescue fund" —Jan Lopatka and Ingrid Melander
(at <http://www.reuters.com/article/2011/10/11/us-eurozone-idUSTRE7953D520111011>)

pgs 1-4, 8, 19, last paragraph

(Reuters) - The parliament of tiny Slovakia stalled the expansion of a bailout fund to rescue the euro zone from its debt crisis on Tuesday, but international lenders said they were likely to grant a loan to [Greece](#) next month, buying time for a broader response.

European Central Bank chief Jean-Claude Trichet said the debt crisis had become systemic and must be tackled decisively.

Slovakia is the only country in the 17-member currency zone that has yet to approve giving new powers to the European Financial Stability Fund. The expansion was agreed by [euro zone](#) leaders in July but must be ratified by each country.

The EFSF is Europe's main weapon to respond to a debt crisis that threatens the European common currency, the region's banks and potentially the global financial system.

Leaders are struggling to find a response that would protect euro zone banks if Greece defaults on its debts.

After Athens admitted it would not meet its deficit target this year, there is a growing acceptance that a second Greek bailout agreed in July with private bondholders' participation may need to be renegotiated. A rush is now on to beef up the currency bloc's rescue fund and bolster its banks.

Speaking on Austrian television late on Monday, Juncker refused to rule out a mandatory debt restructuring for Greece, which many market analysts and economists say is bound to happen in the coming months. Many analysts see the rush to recapitalize European banks as a prelude to an enforced write-down of 50 percent or more on their Greek debt holdings.

26. October 15, 2011

"G20 tells euro zone to fix debt crisis in eight days"—Catherine Bremer and Jan Strupczewski (at <http://www.reuters.com/article/2011/10/15/us-g-idUSTRE79C74G20111015>)

pgs 1-2, 5-9, 14, 21

(Reuters) - The world's leading economies pressed Europe on Saturday to act decisively within eight days to resolve the euro zone's sovereign debt crisis which is endangering the world economy.

In unusually direct language, finance ministers and central bankers of the Group of 20 major economies said they expected an October 23 European Union summit to "decisively address the current challenges through a comprehensive plan".

"Europe needs to get its act together because unless the crisis is put to an end, it will start to affect emerging economies which have enjoyed strong growth," Japanese Finance Minister Jun Azumi said.

His Canadian counterpart, Jim Flaherty, said the risk of a global recession would be dramatically higher if next Sunday's European summit failed to deliver.

British finance minister George Osborne told reporters his continental euro zone colleagues "will have left Paris under no misunderstanding that there is a huge amount of pressure on them to deliver a solution to the crisis".

Treasury Secretary Timothy Geithner told reporters he was encouraged that the latest EU moves toward an overall strategy to tackle the two-year-old crisis contained the right elements, notably a recapitalization of European banks.

"They clearly have more work to do on the strategy and the details, but when [France](#) and Germany agree on a plan together and decide to act, big things are possible," Geithner said.

As the G20 finance ministers and central bankers met in Paris, anti-capitalist protesters rallied around the world, shouting their rage against bankers and politicians accused of ruining economies and condemning millions to hardship through greed and bad government.

The G20 statement pledged to ensure banks are adequately capitalized and have sufficient access to funding, and said central banks would continue to provide liquidity to banks as required.

27. October 26, 2011

“European Leaders Agree on Crucial Plan to Reduce Greece’s Debt”—Gabriele Steinhauser and Don Melvin

(at http://www.huffingtonpost.com/2011/10/26/european-greece-debt-crisis_n_1034186.html)

pg 1-3

BRUSSELS — European leaders agreed Thursday morning on a crucial plan to reduce Greece's debts and provide it with more rescue loans so that the faltering country can eventually dig out from under its debt burden.

After a marathon summit, EU President Herman Van Rompuy said that the deal will reduce Greece's debt to 120 percent of its GDP in 2020. Under current conditions, it would have grown to 180 percent.

That will require banks to take on 50 percent losses on their Greek bond holdings – a hard-fought deal that negotiators will now have to sell to individual bondholders.

28. November 9, 2011 “Analysis: Europe’s Debt Crisis to Shake Corporate America”—Scott Malone

(at <http://www.reuters.com/article/2011/11/09/us-usa-corporate-europe-idUSTRE7A88FZ20111109>)

pg 1-15, 20-21

(Reuters) - The shock waves of Europe's debt crisis will take a toll on corporate America, particularly sellers of cars, consumer products and basic materials that generate significant revenue on the continent.

The crisis that this week claimed the heads of the Greek and Italian governments is threatening to throw Europe into recession, and has U.S. companies from General Motors Co to Emerson Electric Co scrambling to find ways to reduce their risk.

GM, the No. 1 U.S. automaker, which gets about 17 percent of sales in Europe, on Wednesday warned that it no longer expects to break even in the region this year, with Chief Executive Dan Akerson blaming "Europe's economic morass."

Industrial conglomerate Emerson, which generates about 20 percent of its sales in Europe, plans to focus all of its 2012 restructuring efforts on the continent.

"Europe is definitely going to be a problem," Emerson CEO David Farr told a conference on Wednesday. "I expect Europe next year to be very challenging for us. But I expect them to resolve this and start dealing with their issues long term."

U.S. stocks tumbled on Wednesday and Italy's borrowing costs rose to a level viewed as unsustainable, prompting German Chancellor Angela Merkel to warn that deep structural reforms were needed for the euro zone. Unlike [Greece](#), Italy's economy is seen as too large for the European Union or International Monetary Fund to bail out.

The crisis could push Europe into a mild recession and hit demand for everything from Big Macs to corporate computer servers, said Peter Sorrentino, senior vice president and portfolio manager at Huntington Asset Advisors in Cincinnati.

"It will impact a lot of the major U.S. exporters, split out between technology and the consumer side. The McDonald's of the world are going to feel this," he said.

"You might see some order-book erosion, literally across the board, from GE to Hewlett-Packard and IBM as well. This is big enough that it could affect everyone."

MANY SECTORS HIT

GE and McDonald's are among 30 companies in the Standard & Poor's 500 index that Citigroup called out for having both large sales in Europe, the Middle East and Africa and high debt-to-capital ratios. GE shares are down 13.6 percent this year, while McDonald's has gained nearly 21 percent. The S&P is down 1.9 percent on the year.

The industries most dependent on European sales include automobile and components companies, which generated almost 28 percent of their sales in the region, according to Citigroup chief equity strategist Tobias Levkovich. Food, beverage and tobacco companies had the next-highest EMEA exposure with 22 percent, followed by basic materials with 20 percent.

He also suggested investors should pay special attention to companies with both heavy exposure to Europe and debt-to-capital ratios in excess of 35 percent, describing those companies as "potentially looking risky."

Two names that topped that list were the foreign affiliates of well-known U.S. brands: Coca-Cola Enterprises Inc and cigarette maker Philip Morris International Inc.

But the list also includes more geographically balanced companies, including glass container manufacturer Owens-Illinois Inc, McDonald's, insurance company Aon Corp, money manager Invesco Ltd and [Dow](#) Chemical Co, all of which generate at least 34 percent of their sales in the EMEA region.

"It should be obvious to almost anyone that the tight fiscal programs needed to address large deficits will cause drags on European economic trends," Levkovich wrote in a note to clients.

That could hurt not only U.S. companies' exports to Europe but even to still-growing economies in Asia. A weaker euro, for instance, could make an electric turbine made by Germany's Siemens AG more cost competitive in [China](#) than one made by GE, one investor noted.

"That's probably the biggest risk, because on a relative basis, our products have been cheaper," said Peter Klein, senior portfolio manager at Fifth Third Asset Management in Cleveland, Ohio. "If (the euro) goes down to \$1.30 it's probably not a big deal, but if the euro goes to a buck, or even \$1.05, that could have a real big impact on domestic U.S. companies selling into Europe."

29. November 12, 2011

"Italy braces for new government, IMF warns Asia on euro"—Barry Moody and George Georgiopoulos

(at <http://www.reuters.com/article/2011/11/12/us-eurozone-idUSTRE7AA2CF20111112>)

pg 1-2, 7-9, 17

(Reuters) - Italy's parliament was set to approve austerity measures on Saturday, triggering the formation of an emergency government to replace that of Prime Minister Silvio Berlusconi, and meeting European Union demands to avert a [euro zone](#) meltdown.

After months of dither and delay, Rome appears to have got the message as bond markets pushed it to the brink of needing a bailout that the euro zone cannot afford.

In Tokyo, International Monetary Fund chief Christine Lagarde warned that if strains in Europe worsen, Asia would be negatively affected through trade and financial sector links.

At a news conference after meeting Japan's Finance Minister Jun Azumi, she said: "...we touched on the economic situation in the euro zone, the way to address it, and the consequences that the euro zone crisis has and would have if it deteriorated further in the rest of the world, particularly in Asia."

"I insisted with Minister Azumi that no country can be immune under the present circumstances, no matter how developed or how emerging or how far away it is. The countries are totally interconnected. That is what we see at IMF," she said.

Spain, the euro zone's fourth largest economy and due to hold elections in nine days, stopped growing in the third quarter, putting its deficit-reduction goals in doubt.

30. November 15, 2011

"France draws fire after 'alarm bells' warning" —Daniel Flynn and James Mackenzie
(at <http://www.reuters.com/article/2011/11/15/us-eurozone-idUSTRE7AC15K20111115>)

pg 1-2, 5-9, 23-24,

(Reuters) - [France](#) came under heavy fire on global markets Tuesday, reflecting fears that the euro zone's second biggest economy is being sucked into a spiraling debt crisis.

Global stocks and the euro fell as Italian bond yields climbed back to unsustainable levels on doubts that Italy's Mario Monti and new Greek leader Lucas Papademos, unelected technocrats without a domestic political base, can impose tough austerity measures and economic reform.

On the markets, Italy's 10-year bond yield rocketed back above 7 percent, pushing its borrowing costs to a level that helped to trigger the fall of Silvio Berlusconi's government last week and is widely seen as unsustainable in the long term.

Spain's Treasury paid yields not seen since 1997 to sell 12- and 18-month treasury bills.

French 10-year bond yields have risen around 50 basis points in the last week, pushing the spread over safe haven German bonds to a euro-era high of 173 basis points.

French banks are among the biggest holders of Italy's 1.8 trillion euro public debt pile.

The urgency of resolving the debt crisis was underscored by a think-tank report saying that triple-A rated France should also be "ringing [euro zone](#) alarm bells" as it could not make rapid adjustments to its economy.

The debt crisis is likely to make matters worse in the next months with nations such as Italy, Greece, [Ireland](#), Portugal and Spain forced to adopt unpopular spending cuts to stop the bond market driving them toward default.

Economists say there is no visible growth strategy in place to counter those austerity measures.

31. November 18, 2011

"The Anatomy of Global Economic Uncertainty"—Mohamed A. El-Erian
(at <http://www.project-syndicate.org/commentary/elerian11/English>)

pgh 1-4

NEWPORT BEACH – The sense of uncertainty prevailing in the West is palpable, and rightly so. People are worried about their futures, with a record number now fearing that their children may end up worse off than them. Unfortunately, things will become even more unsettling in the months ahead.

The United States is having difficulties returning its economy to the path of high growth and vigorous job creation. Thousands of people have taken to the streets of US cities, and thousands of others in Europe, to demand a fairer system. In the eurozone, financial crises have forced out two governments, replacing elected representative with appointed technocrats charged with restoring order. Concern about the institutional integrity of the eurozone – key to the architecture of modern Europe – continues to mount.

This uncertainty extends beyond countries and regions. Those looking around the next corner also worry about the stability of an international economic order in which the difficulties faced by the system's Western core are gradually eroding global public goods.

It is no coincidence that all of this is happening simultaneously. Each development, and certainly their occurrence in tandem, points to the historic paradigm changes shaping today's global economy – and to the anxiety that comes with the loss of once-dependable anchors, be they economic and financial or social and political.

32. November 21, 2011

"Super Committee deal not reached, leaders say"—David Espo
at http://www.huffingtonpost.com/2011/11/21/super-committee-deal_n_1106191.html)

pgh 1-3

WASHINGTON — The bipartisan leadership of a special congressional deficit supercommittee has officially announced that the panel has failed to reach an agreement.

Democratic Sen. Patty Murray and Republican Rep. Jeb Hensarling say that despite "intense deliberations" the members of the panel have been unable "to bridge the committee's significant differences."

The panel was established by this summer's budget and debt agreement to cut at least \$1.2 trillion from the budget over 10 years. But the panel has been divided from the beginning over taxes and cuts to popular government benefit programs like Medicare.

33. November 22, 2011

"U.S. may lose second triple A rating within months"—Sue Chang
(at http://www.marketwatch.com/story/us-may-lose-second-triple-a-rating-within-months-2011-11-22?link=MW_story_popular)

pgh 1-9, 11, 18-21, 23-25

SAN FRANCISCO (MarketWatch) — The failure of the supercommittee to reach a compromise on a debt-reduction plan exposes the U.S. sovereign rating to more downgrades, with ratings agencies expected to fire their first salvo by the year's end.

"It is just a matter of time before the government's rating is cut," Steve Ricchiuto, Mizuho Securities' chief economist, said in a report.

"I would not be surprised if S&P puts the Treasury on watch for another downgrade in the weeks ahead and that Moody's or Fitch move before the Dec. 23 date when the legislation implementing the Super Deficit Committee's recommendations were scheduled to be enacted," he added.

The scope and the severity of the actions will depend on how the politicians handle sequesters, or the automatic cuts scheduled for 2013, as well as payroll taxes and extended benefits.

The Congressional Joint Select Committee on Deficit Reduction, better known as the supercommittee, announced late Monday that it failed to reach a deal on a \$1.2 trillion budget-deficit reduction plan that will result in spending cuts equal to that amount to take effect in 2013. [Read about supercommittee's failure](#)

Citigroup also believes a downgrade is in the offing.

"Leading politicians stating that they would seek an end run around the sequesters would speed up the Moody's downgrade, which now appears likely in the first half of next year," said Greg Anderson, senior FX strategist at Citigroup.

U.S. is rated triple-A with a negative outlook by Moody's. A cut would follow the decision by Standard & Poor's on Aug. 5 to drop its rating on the U.S. to AA+ from AAA.

When the stock market opened for trading the following Monday, panic sales dragged the Dow Jones Industrial Average down more than 600 points, its worst day since late 2008.

Moody's on Tuesday declined to comment on the specific date for a review but said that the outcome of the supercommittee negotiations would not be "decisive" in analyzing U.S.'s rating.

Meanwhile, Fitch had warned in August that failure by the supercommittee could result in a revision of the rating outlook to negative. It rates the U.S. at triple-A with a stable outlook.

A negative outlook "would indicate a greater than 50% chance of a downgrade over a two-year horizon. Less likely would be a one-notch downgrade," Fitch reiterated in a statement Monday.

Fitch also added that it now expects to wrap up its review of the U.S. sovereign rating by the end of November.

Standard & Poor's said Monday the inability of the supercommittee to forge a deal will not affect the U.S.'s rating or outlook.

Kevin Giddis, president of fixed-income capital markets at Morgan Keegan & Co., was more upbeat about the developments on Capitol Hill.

"Politicians may be willing to take the risk of failing to act responsibly, but I don't believe they are willing to be assigned blame for increasing taxes or weakening our military capabilities. In that light, my guess is that a compromise will ultimately be reached," he said.

He also pointed out that ratings agencies may face a credibility problem if they were to downgrade the U.S. given that all of its debt is in dollars which in theory, the government can print at will.

34. November 24, 2011

"Sarkozy, Merkel agree to stop sniping on ECB crisis"—Daniel Flynn and Emmanuel Jerry
(at <http://www.reuters.com/article/2011/11/24/us-eurozone-idUSTRE7AM0VR20111124>)

pgh 4-5, 9-12, 16, 19-22, last paragraph

"We all stated our confidence in the ECB and its leaders and stated that in respect of the independence of this essential institution we must refrain from making positive or negative demands of it," Sarkozy told a joint news conference in the eastern French city of Strasbourg.

French ministers have called for the central bank to intervene massively to counter a market stampede out of [euro zone](#) government bonds, while Merkel and her ministers have said the EU treaty bars it from acting as a lender of last resort.

Sarkozy said Paris and Berlin would circulate joint proposals before a December 9 EU summit for treaty amendments to entrench tougher budget discipline in the 17-nation euro area.

Merkel said the proposals for more intrusive powers to enforce EU budget rules, including the right to take delinquent governments to the European Court of Justice, were a first step toward deeper fiscal union.

But she said they would not modify the statute and mission of the central bank, nor soften her opposition to issuing joint euro zone bonds, except perhaps at the end of a long process of fiscal integration.

Some French and EU officials hoped Berlin would soften its resistance to a bigger crisis-fighting role for the ECB after Germany itself suffered a failed bond auction on Wednesday, showing how investors are wary even of Europe's safest haven.

With contagion spreading fast, a majority of 20 leading economists polled by Reuters predicted that the euro zone was unlikely to survive the crisis in its current form, with some envisaging a "core" group that would exclude Greece.

Credit ratings agency Fitch downgraded Portugal's rating to junk status, saying a deepening recession made it "much more challenging" for the government to cut the budget deficit, highlighting a vicious circle facing Europe's debtors.

German bonds fell to their lowest level in nearly a month after Wednesday's auction, in which the German debt agency found no buyers for half of a 6 billion euro 10-year bond offering at a record low 2.0 percent interest rate.

The shortage of bids drove Germany's cost of borrowing over 10 years to 2.2 percent, above the 1.88 percent markets charge the United States and the 2.18 percent that heavily indebted Britain has to pay.

Bond investors are effectively on strike in the euro zone, interbank lending to euro area banks is freezing up, ever more banks are dependent on the ECB for funding, and depositors are withdrawing increasing amounts from southern European banks.

The borrowing costs of almost all euro zone states, even those previously seen as safe such as France, Austria and the Netherlands, have spiked in the last two weeks as panicky investors dumped paper no longer seen as risk-free.

35. November 27, 2011

“Struggling to stay above water” —Stella Dawson
(at <http://www.reuters.com/article/2011/11/27/us-economy-global-idUSTRE7AQ0P520111127>)

pgh 1-4, 16, last paragraph

(Reuters) - The world economy is on a slippery slope. The [euro zone](#) appears to have tipped into a mild recession and the rest of the global economy is struggling to hold onto firm ground.

[China](#) is slowing, Japan's exports are tumbling. Eastern European countries are wobbling as credit dries up from a pullback in lending by euro-zone banks.

In the United States, the improving economic picture has clouded somewhat after a mixed batch of economic data and downward revision to third-quarter growth to 2.0 percent doused some of the optimism for a strong fourth quarter. Consumer spending slowed in October and business investment weakened, showing a recovery that remains weak and vulnerable to shocks.

Against this uncertain backdrop, financial markets are volatile as European leaders fail to deliver any credible solutions to the sovereign debt crisis and U.S. lawmakers hit gridlock on slashing the budget deficit, further eroding business and consumer confidence and damaging growth prospects.

Goldman Sachs warned on Friday that the public sector funding problems, which are hurting bank profits, are restricting household and corporate credit in Europe. This "could turn the moderate recession we are forecasting into something more akin to the 2008/09 experience."

"The world is struggling along, with downside risks from a bust-up of the euro-zone, or Greece, Italy and Spain leaving. It might be that Europe just runs out of time to fix its problems," said Paul Ashworth, economist at Capital Economics.

36. November 27, 2011

"Europe on the Brink" —Robert Kuttner
(at http://www.huffingtonpost.com/robert-kuttner/europe-on-the-brink_b_1115401.html)

pgh

Europe is now on the very edge of an economic abyss. And Germany is finding that it cannot survive as a snug island of fiscally conservative prosperity while the rest of Europe goes down the tubes. It is anybody's guess whether Europe's leaders will shift course in time. If they fail, it won't be pretty. The fact that Germany's fate is now more closely linked to that of its neighbors actually offers a ray of hope.

Until last week, Germany had been the safe haven. As speculators pulled money out of other countries, in a bondholders' equivalent of a run on the bank, German government debt was oversubscribed, causing interest rates on German *bunds* (government bonds) to fall below 2 percent. The spread between German rates and the rates that "weaker" countries had to pay to sell their bonds was treated as a precise barometer of market confidence in a given nation's debt.

For the Germans, this was a huge windfall. My friend Sony Kapoor, who directs the progressive think tank [Re-Define](#) in Brussels, [calculated](#) that Germany's cheaper borrowing costs due to the panicky bond-market flight from nations like Greece, Italy, Spain, Portugal and Ireland saved the Germans some \$26.7 billion in interests costs between 2009 and 2011, and another \$20 billion in low-interest bonds already locked in for the future. (It is no accident that the word *Schadenfreude*-- translated as joy at another's misfortune -- is a uniquely German coinage.)

But then on Thursday, as Americans were taking a day off for Thanksgiving, the unthinkable happened. Germany had trouble selling its bonds. The bond market, in its panic, was fleeing even the safest haven. Europe is now approaching a Lehman Brothers moment, where nobody trusts anybody else's promise to repay a debt.

37. November 28, 2011

“Eurozone Crisis Threatens Global Economy” —Bonnie Kavoussi
(at http://www.huffingtonpost.com/2011/11/28/eurozone-crisis_n_1116977.html?1322522481)

pg 1, 7, 13-18

As a breakup of the eurozone -- a once seemingly impossible scenario -- becomes increasingly likely, economists are starting to sketch out what a post-euro world would look like. Many are warning that if political leaders don't change course, a breakup of the eurozone would plunge the United States and the rest of the world into a slowdown and possibly another recession.

The eurozone's future could be decided next week when leaders meet for a summit on the sovereign debt crisis on December 9. If they leave empty-handed, Tilford said, fearful depositors could pull their money out of European banks en masse, causing European banks to fail. In a "vicious death spiral," said Tilford, troubled European countries would stop being able to borrow money as borrowing costs reach unsustainable levels. Then a string of European countries could default and leave the eurozone, leading to its collapse, he said.

But for some countries, leaving the euro may be unavoidable, some economists said. Devaluing their own currencies would boost the competitiveness of their exports, allowing countries to grow and pay down their debts, Tilford said. Since countries such as Greece and Portugal have "very weak economic growth prospects ... they need a weaker currency," Tilford said. If they can no longer borrow money, they effectively would be forced to default on their debts and leave the euro, he said.

A breakup of the eurozone would cause several negative repercussions for the U.S. economy and emerging economies in particular, Tilford said. As investors flee for safety in the United States, the value of the U.S. dollar would rise, making U.S. exports more expensive around the world and causing their sales to fall, he said. American banks would be forced to swallow major losses on European investments and would lend less, he said -- though the Federal Reserve would likely prevent them from failing by becoming their lender of last resort.

American investments in Europe generally would plunge in value, Tilford said. As of the end of 2009, U.S. direct investment in Europe totaled \$1.98 trillion, according to the Congressional Research Service. The negative blow to U.S. confidence would generally curtail risk-taking and investments in the U.S., Tilford said.

Emerging economies would also experience a sharp slowdown because they are dependent on Europe for both financing and consumer demand for their goods, Tilford said. European banks provide about three-quarters of all loans to emerging markets, according to Tilford, and a breakup of the eurozone would cause many European banks to either fail or slash lending.

If the eurozone breaks up, a cloud of uncertainty would likely hang over Europe as long as companies struggle to work out contracts that were done in euros, Tilford said.

"How on earth do you untangle all the contracts? Because they are all in a currency that would cease to exist," he said. "They would need to clarify who owns what and under what currency if capital is going to return to Europe."

38. November 28, 2011

"OECD urges monetary easing around the world"—Reuters
(at <http://www.reuters.com/article/2011/11/28/us-oecd-economy-interestrates-idUSTRE7AR0GF20111128>)

pgh 1-5, 12-14

Reuters) - Monetary policy in OECD countries should remain strongly accommodative given the weak economic outlook, meaning interest rates close to zero in most cases and further support from non-conventional measures, the OECD said on Monday.

The Organization for Economic Co-operation and Development said in its twice-yearly economic outlook that, given the downside risks to growth, economies which had begun to tighten rates should reduce them.

It also urged monetary authorities in most countries to prepare "contingency plans", including unconventional and untested options, in case of downside shocks.

For the [euro zone](#), where a spiraling debt crisis has dried up credit and is crushing confidence, the ECB should press ahead with further rate cuts after reducing its main refinancing rate to 1.25 percent this month, shortly after new president Mario Draghi's mandate began.

"The weak prospects for the euro area economy and fading inflation strongly argue for further prompt reductions in interest rates," the OECD said.

In [China](#), it urged monetary authorities to allow a more significant appreciation of the yuan's effective exchange rate, noting this would increase policy room for maneuver by making inflation easier to control without excessive reliance on interest rates.

A useful first step in this direction would be to manage exchange rates with reference to a clearly defined basket of [currencies](#), the OECD said.

Without such a currency policy, the need for tight domestic monetary policy could risk "an excessive economic slowdown", particularly if there was a downward spiral in property prices which would in turn impact on bank capitalizations.

39. November 28, 2011

"Germany, France press for coercive euro zone debt rules"—Stephen Brown and Jan Strupczewski
(at <http://www.reuters.com/article/2011/11/28/us-eurozone-idUSTRE7AR0P320111128>)

pgh 1, 9-11,

(Reuters) - Germany and [France](#) stepped up a drive on Monday for coercive powers to reject euro zone members' budgets that breach EU rules, and the United States kept up the drumbeat of demands from the rest of the world for decisive action.

We are working intensively for the creation of a Stability Union," the German Finance Ministry said in a statement. "That is what we want to secure through treaty changes, in which we propose that the budgets of member states must observe debt limits."

Moody's Investors Service warned that the rapid escalation of the euro zone sovereign debt and banking crisis threatened all European government bond ratings.

"While Moody's central scenario remains that the euro area will be preserved without further widespread defaults, even this 'positive' scenario carries very negative rating implications in the interim period," the ratings agency said in a report.

40. November 29, 2011

"Insight: In euro zone crises, companies plan for the unthinkable"—Ben Hirschler and Scott Malone (at <http://www.reuters.com/article/2011/11/29/us-euro-zone-contingency-idUSTRE7AS0H020111129>)

pgh 5-9, 12-13

Planning for a breakdown of Europe's 17-nation single currency is not easy. Like many business leaders, Brandgaard views a break-up of the euro as possible though not yet probable -- but the odds are increasing. In a Nov 23 Reuters poll 14 out of 20 economists said the single currency would not survive in its current form - and companies are starting to plan for a worst case scenario.

Their trepidation is best summed up by Martin Sorrell, the head of the world's biggest advertising agency WPP. "The complexity fills everybody with such appalling fear and is so complicated that the last thing in the world you want to happen is that," Sorrell told Reuters on Monday. "But the honest answer is that, like everybody else, you try and contingency plan for any break-up of the euro zone."

Drawing on interviews with company officials, bankers and lawyers in Europe, the United States and Asia and companies' regulatory filings, Reuters has pieced together a picture of patchy preparedness for the possible demise of the 12-year-old euro currency, an event that would be unparalleled in recent history.

"These days, it's a part of almost every risk management conversation that comes up," said a senior player in London's insurance market, speaking like many in this story on condition of anonymity because of the sensitivity to their business.

Some of the most active contingency planning is happening in European countries outside the euro zone that have strong trading links with the currency bloc - Denmark and Britain being leading examples. Of the 33 companies with the biggest exposures to the euro zone in sales terms, five are British, according

to Thomson Reuters data. Health care, energy and consumer goods are among the most exposed industries.

Banks, brokers and exchanges are in the front line.

ICAP, the world's top broker for foreign exchange and government bonds, said on Monday it has tested its trading system to handle the collapse of the euro zone and re-emergence of national [currencies](#).

41. November 29, 2011

“Federal Reserve ready to shield U.S. from Euro Zone Crisis” —Bonnie Kavoussi

(at http://www.huffingtonpost.com/2011/11/29/federal-reserve-europe-crisis_n_1119178.html)

pgh 15-18

The Federal Reserve already is helping Europe prevent its sovereign debt crisis from turning into a full-blown credit crunch. It opened a credit line to the European Central Bank last year that allows European banks with sufficient collateral to borrow an unlimited amount from the ECB, which would be receiving funds from the Federal Reserve. The Federal Reserve also allows European banks with U.S. branches to borrow an unlimited amount from the Federal Reserve as long as they post sufficient collateral.

"It will limit the severity of any ensuing credit crunch," DeKaser said.

The Federal Reserve also has taken steps to try to prevent a panic threatening the solvency of U.S. banks and companies. [The Fed announced last week](#) that it would require the U.S.'s 19 largest financial institutions to undergo stress tests, which Swank said would allow American banks to prove to investors that they have the resources needed to be able to weather an economic meltdown in Europe.

"They're not doing the stress tests unless they knew the banks really could raise the capital and pass them," Swank said. "The Fed is trying to make sure the spillover just doesn't hit us too much."

42. November 29, 2011

“S & P downgrades Goldman Sachs, Bank of America, Wells Fargo, and Citigroup” —Eileen A. J. Connelly
(at http://www.huffingtonpost.com/2011/11/29/sp-downgrades-goldman-sachs-bank-of-america-wells-fargo-citigroup_n_1119384.html)

pgh 1-7

NEW YORK — Standard & Poor's Ratings Services has lowered its credit ratings for many of the world's largest financial institutions, including the biggest banks in the U.S.

Bank of America Corp. and its main subsidiaries are among the institutions whose ratings fell at least one notch Tuesday, along with Citigroup Inc., Goldman Sachs Group Inc., JPMorgan Chase & Co., Morgan Stanley and Wells Fargo & Co.

S&P said the changes in 37 financial companies' ratings reflect the firm's new criteria for banks, and they incorporate shifts in the industry and the role of governments and central banks worldwide. The agency did not release its evaluation of each company but said it plans to discuss the changes during a conference call early Wednesday.

Bank of America's issuer credit rating was cut to "A-" from "A," as were its Countrywide Financial Corp. and Merrill Lynch & Co. Inc. units, along with a series of related subsidiaries.

Ratings downgrades are never seen as positive, but this round may be particularly damaging for Bank of America.

Concern already was growing Tuesday about whether B of A has enough capital to withstand another downturn in the U.S. economy or further trouble in Europe, and the bank's stock fell to a two-year low before the ratings announcement.

The Charlotte, N.C.-based bank said in a recent regulatory filing that downgrades from S&P or Fitch Ratings, which also is reevaluating its ratings, "could likely have a material adverse effect on our liquidity" and cut off its access to credit markets.

43. November 30, 2011

"Central banks act as euro zone crisis rages"—Robin Emmett and Kirsten Donovan
(at <http://www.reuters.com/article/2011/11/30/us-eurozone-idUSTRE7AROP320111130>)

pgh 1-12, 20-22

(Reuters) - The world's major central banks acted jointly on Wednesday to provide cheaper dollar funding to European banks facing a credit crunch as the euro zone's debt crisis drove EU ministers to urge more IMF help to avert financial disaster.

The emergency move by the U.S. Federal Reserve, the European Central Bank, and the central banks of Japan, Britain, Canada and Switzerland recalled coordinated action to stabilize global markets in the 2008 financial crisis after the collapse of Lehman Brothers.

In [Italy](#), now the focal point of the euro debt crisis, the Treasury started emergency cash tenders for banks which have been squeezed particularly hard as Rome's borrowing costs have soared towards 8 percent, a level seen as unaffordable in the long term.

The euro and European shares surged on the central bank action, which came after euro zone [finance](#) ministers agreed to ramp up the firepower of their bailout fund but acknowledged they may have to turn to the International Monetary Fund for more help.

In a policy shift by Europe's main paymaster, Finance Minister Wolfgang Schaeuble said [Germany](#) was open to increasing the IMF's resources through bilateral loans or more special drawing rights, reversing the stance Berlin took earlier this month at the Cannes G20 summit.

The new openness to a bigger IMF role came as Germany presses its EU partners to agree next week on treaty changes to create coercive powers to make euro zone countries change their budgets if they breach EU deficit and debt rules.

"The economic and monetary union will either have to be completed through much deeper integration or we will have to accept a gradual disintegration of over half a century of European integration," Economic and Monetary Affairs Commissioner Olli Rehn told the European Parliament.

Two years into Europe's debt crisis, investors are fleeing the euro zone bond market, European banks are dumping government debt, south European banks are bleeding deposits and a recession looms, fuelling doubts about the survival of the single currency.

Euro zone leaders have agreed belatedly on one half-measure after another but have failed to restore confidence and some analysts now see a December 9 Brussels summit as a make-or-break moment for the euro.

Finance ministers agreed on Tuesday night on detailed plans to leverage the European Financial Stability Mechanism (EFSF), but could not say by how much because of rapidly worsening market conditions, prompting them to look to the IMF.

"We are now looking at a true financial crisis -- that is a broad-based disruption in financial markets," Christian Noyer, France's central bank governor and a governing council member of the European Central Bank, told a conference in Singapore.

Italian and Spanish bond yields resumed their inexorable climb towards unsustainable levels on Wednesday, as markets assessed the rescue fund boost as inadequate, but fell back on news of the central banks' joint action.

Most analysts agree that only more radical measures such as massive intervention by the ECB to buy government bonds directly or indirectly can staunch the crisis.

The prospects of drawing the IMF more deeply into supporting the euro zone are uncertain. Several big economies are skeptical of European calls for more resources for the global lender.

The United States, Japan and other Asian states are hesitant to chip in unless Europe commits to first use its own resources to fix the problem and peripheral euro zone states map out more concrete steps on fiscal and economic reforms.

44. November 30, 2011

"Dow Jones Industrial Average Jumps 490 Points; Biggest Gain Since March 2009"—Daniel Wagner (at http://www.huffingtonpost.com/2011/11/30/dow-jones-industrial-aver_n_1121583.html)

pgh 1-9, 11-12, 18-23

A move by the world's central banks to lower the cost of borrowing exhilarated investors Wednesday, sending the Dow Jones industrial average soaring 490 points and easing fears of a global credit crisis similar to the one that followed the 2008 collapse of Lehman Brothers.

It was the Dow's biggest gain since March 2009 and the seventh-largest of all time.

Large U.S. banks were among the top performers, jumping as much as 11 percent. Markets in Europe surged, too, with Germany's DAX index climbing 5 percent.

"The central banks of the world have resolved that there will not be a liquidity shortage," said David Kotok, chairman and chief investment officer of Cumberland Advisors. "And they have learned their lessons from 2008. They don't want to take small steps and do anything incrementally, but make a big bold move that is credible."

Wednesday's action by the banks of Europe, the U.S., Britain, Canada, Japan and Switzerland represented an extraordinary coordinated effort.

But amid the market's excitement, many doubts loomed. Some analysts cautioned that the banks did nothing to provide a permanent fix to the problems facing heavily indebted European nations such as Italy and Greece. It only buys time for political leaders.

"It is a short-term solution," said Jack Ablin, chief investment officer at Harris Private Bank. "The bottom line on any central bank action is that it papers over the problems, buys time and in some respects takes pressure from politicians. ... If nothing's done in a week, this market gain will disappear."

Banks stocks soared as fears about an imminent disaster in the European financial system ebbed. American and European banks are connected by contracts, loans and other financial entanglements, meaning that a European financial crisis would punish U.S. bank stocks. The brighter outlook that emerged Wednesday relieved some investor concerns.

Worries about the financial system – and the reluctance of the European Central Bank to intervene – have caused borrowing rates for European nations to skyrocket. Wednesday's decision reduced the rates banks pay to borrow dollars – a move that aims to make loans cheaper so that banks can continue to operate smoothly.

European banks rely on dollars to cover loans they have promised to consumers and businesses and pay for investments in U.S credit markets. They traditionally have tapped short-term funding from U.S money market mutual funds and other banks. But money market funds have been pulling dollars from Europe in recent months, and lending between banks has dried up.

The act by the central banks took some pressure off the financial system, which has signaled in recent days that many banks were losing faith in their trading partners. And it offered hope that more help was on the way.

"People are taking comfort that it's globally coordinated," said Peter Tchir, who runs the hedge fund TF Market Advisors.

The move would have a limited effect, he said, "but the bulls are anticipating that this is just the beginning of central bank and other actions" to ease market pressures.

Any successful plan would have to reduce borrowing costs for Italy and other indebted nations, Tchir said. Italy's borrowing costs edged lower Wednesday, but the nation was still paying more than 7 percent interest for 10-year borrowing – a dangerously high level.

European finance ministers in Brussels have been meeting since Tuesday but have failed to deliver a clearer sense of how the currency union will proceed. More leaders gather next week on Friday for a summit.

In another attempt to free up cash for lending, China on Wednesday reduced the amount of money its banks are required to hold in reserve. It was the first easing of monetary policy in three years, and analysts are expecting more.

45. November 30, 2011

"Analysis: Central Banks buy wiggle room, not solution" —Michael Dolan
(at <http://www.reuters.com/article/2011/11/30/us-banks-liquidity-idUSTRE7AT1QQ20111130>)

pg 1-8, 17

(Reuters) - Central bank action on Wednesday to ease severe funding strains for the world's private sector banks may help cushion a brewing global credit crunch but it only buys some wiggle room for governments trying to resolve the euro debt crisis and keep banks lending.

The intervention by top central banks from the world's richest countries -- including the U.S. Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank -- involved lowering the cost of emergency U.S. dollar funding for banks and expanding currency swap lines between countries. Although partly aimed at easing seasonal year-end financing conditions in an already stressful environment, the move was an important show of unity among the central banks.

It also reveals the level of international official concern about the threat of the ongoing euro and banking crisis to global economic activity at large and comes the same day as China's central bank eased credit for its commercial lenders for the first time in three years.

The European Central Bank is also widely expected to cut interest rates again next week.

Although the instant market reaction to the moves was positive -- equity, commodities and risky debt markets rallied while the dollar weakened -- the moves underscore the close correlation between the euro crisis and a renewed banking crunch.

They illustrate the fear that both are combining to deliver another double whammy to world growth.

"There was a very dark mood developing at the back end of last week," said Mark Cliffe, chief economist at ING. "With the dire scenarios doing the rounds the last few days, it's all the more important they step

in with aggressive measures to support the banking system and show they're beginning to confront the financing problems of the sovereigns as well."

Some analysts estimate European banks could reduce lending by up to 3 trillion euros by the end of next year.

46. December 1, 2011

"Swaps will get dollars into European Banks' Hands"—Phil Izzo

(at

http://online.wsj.com/article/SB10001424052970204397704577070813433473588.html?mod=WSJ_World_MIDDLENews)

Questions 1-7

Six central banks on Wednesday announced a coordinated policy action to ease market stress. Here are some questions and answers about the move:

What are foreign currency liquidity swaps?

They are a way for central banks to get foreign currencies to their local banks. Right now, the top goal is getting U.S. dollars into the hands of European banks, who need dollars to finance dollar-denominated securities they hold and to pay their own dollar-denominated loans. The swaps allow for any of the six central banks—the Federal Reserve, the Bank of Canada, the Bank of England, the Bank of Japan, the European Central Bank and the Swiss National Bank—to exchange currencies with one another. Under the program, the Fed exchanges dollars with the ECB for euros. The ECB then lends those dollars out to banks under their jurisdiction. After a set amount of time, the Fed gives the ECB back its euros and gets back the dollars, with interest.

What is new in the announcement?

The swap lines aren't new. They were used extensively during the financial crisis. As market conditions improved, they were shut down in February 2010, but revived in May 2010 as sovereign-debt problems began to emerge in Europe. The new action extends them through January 2013 and lowers the rate charged by a half-percentage point.

Why did the central banks take this action now?

In recent weeks, it has been more expensive and difficult for European banks to access dollars. This move makes it cheaper for them to obtain dollars through the ECB, and expands swap lines if conditions worsen in other markets.

What effect does this have on markets?

The move is more of a pressure-release valve than a direct action, and doesn't do anything to address underlying problems in Europe. By making it cheaper and easier for European banks to access other currencies, it reduces pressure on markets while policy makers search for a solution.

Why were markets so cheered?

Although the announcement didn't alter any of the fundamental problems, it signals that central banks are coordinating and prepared to act in the event that conditions worsen.

How widely are swaps agreements being used now?

Since their revival in 2010, the swaps have been muted. Though the amount in use had risen a bit in recent weeks, the level of around \$2.4 billion seen in the most recent week is way below what it was during the 2008 financial crisis.

Does the Fed face increased risk under the swap lines?

Since the Fed isn't lending to banks directly, the risk is tiny. The ECB is responsible for giving the Fed its dollars back, so the central bank would have to collapse for the Fed to take a loss. The Fed also isn't exposed to changes in currency rates since the Fed gets back the amount of dollars it loans out. It also earns interest on the loans.

47. December 1, 2011

“Central Banks’ coordinated move has solved nothing”—Charles Hawley (The World from Berlin)(Der Spiegel)

(at <http://www.spiegel.de/international/business/0,1518,801071,00.html>)

Entire article

Global stock markets on Wednesday were euphoric after the major central banks around the world made it easier for banks to access dollars. But the euro-zone debt crisis rages on nonetheless. At the most, say German commentators, Wednesday's move merely buys some time -- but not much.

On the one hand, Wednesday's coordinated effort taken by central banks around the world provided a needed shot in the arm to uneasy global stock markets. It was a clear message that the European Central Bank, the US Federal Reserve, the Bank of England and the central banks of Canada, Japan and Switzerland were not going to leave the global economy in the lurch.

And the effects were instantaneous. Germany's leading DAX index spiked by more than 5 percent, in France the jump was over 4 percent and the Dow in New York likewise made gains. Even the euro jumped in value against the dollar.

On the other hand, however, Wednesday's announcement is a clear sign that the problems facing the global financial system are serious. The move will lower the interest rate charged on short-term dollar loans among banks, an attempt to keep the supply of dollars flowing, which is critical to overseas business transactions. But the last time such a measure became necessary was in October 2008, at the height of the financial crisis that erupted in the wake of the collapse of investment bank Lehman Brothers.

Indeed, European Central Bank President Mario Draghi warned on Thursday that the ongoing debt crisis rocking the euro zone may spill over into the real economy. "Downside risks to the economic outlook have increased," he said in a speech to the European Parliament. The comments were enough to put a brake on the stock market rallies seen in Europe on Wednesday.

Survival at Stake

The threats of a renewed financial crisis have been especially pronounced in Europe in recent weeks, where new capital regulations have many institutions reducing lending in order to increase their capital ratios. Furthermore, because many of them hold large quantities of sovereign bonds from heavily indebted euro-zone countries on their books, other banks have become wary of lending to them. US money market funds, in particular, have sharply reduced lending to euro-zone banks.

And Europe has been [doing little](#) to reassure the markets that it will be able to solve its debt problems before it is [too late](#). Pressure is on European leaders to quickly restore investor confidence as they prepare to gather in Brussels on Dec. 9. With interest rates on sovereign bonds issued by Italy and Spain stalled at or near the danger zone, and rates on French and Belgian bonds likewise rising, many fear that the [survival of the euro zone is at stake](#).

Given that reality, German commentators on Thursday are doubtful as to whether the coordinated central bank action announced on Wednesday will have the desired effect.

The **Financial Times Deutschland** writes:

"While it is important that the central banks ensure that financial institutions have access to money, the massive intervention is a shrill warning signal. The banking system, it would seem, was close to collapse. Many banks no longer trusted each other and ceased lending to one another. European institutions, in particular, were having a hard time getting access to enough dollars because US money market funds, for example, have become mistrustful. The danger that some European banks would become illiquid or insolvent was apparently greater than many thought."

"Whether the liquidity problem has now been solved will only become apparent in the coming days. But even if there are improvements, it would merely mean that a secondary abscess of the financial and debt crisis had been removed, but not the source of the cancer on the sovereign bond market."

The center-right daily **Frankfurter Allgemeine Zeitung** writes:

"If it was the intention of the central banks to reduce tension on the financial markets, then they were, at least on the short term, successful. The long-term effects of such market interventions, however, is rather less certain. Not all economic problems can be solved with money alone."

"The central banks must beware of two dangers. For one, making ever-increasing amounts of money available could result in their losing control over the amount of money and, thus, inflation. ... Secondly, monetary policy cannot take over the task of finding a solution to the euro zone's state debt crisis. This is and remains the job of the governments in debt-stricken countries. Monetary policy is powerful, but not omnipotent."

The left-leaning **Die Tageszeitung** writes:

"For weeks now, Europeans have been trying to find the 'big bazooka' needed to contain the crisis, but they still haven't found it. The financial leverage that was intended to transform the euro backstop fund into an all-purpose weapon has stalled. Instead of the €1 trillion that had been hoped for, only €750 billion can be raised -- and that's the best-case scenario. But that amount isn't enough to shore up Italy and other crisis-hit countries."

"Fear of the euro's collapse has recently paralyzed the European banking system. This danger appears to have been averted through the concerted action by the major central banks. But it hasn't brought an end to the euro crisis. Hope and improvement of the situation can only happen once the Europeans have found a convincing solution to the problems in Italy and elsewhere."

"EU Economic and Monetary Affairs Commissioner Olli Rehn has finally come to understand this, and he has said that a new firewall must be erected by the EU summit in 10 days' time. But it is questionable

whether Berlin has realized this. On Thursday, Rainer Brüderle, the head of the parliamentary group of Merkel's junior coalition partner, the FDP, said the ECB shouldn't buy up any more bonds from crisis states. It sounded as if he wanted to cut off the fire department's water supply. But it would be more sensible to permanently strengthen the fire department. The German government needs to finally clear the way -- otherwise, it will become a threat to the euro and the international financial system."

Conservative daily **Die Welt** writes:

"There is good news and bad news about the glut of money on the international finance markets. The good news is that the central bankers worldwide, from the United States to China, are in a position to coordinate their actions. They're flooding the interbank market with dollars for the short term. With this, they are preventing the collapse of financial institutions having a hard time getting dollars."

"The bad news is that this technical move has solved nothing -- it's just treating the symptoms. And central banks only act when it's serious. On this point, there can be no more doubt. Still, there hasn't been a collapse like the one at Lehman Brothers in 2008. But the current crisis crept up slowly, and now the situation is even more precarious than back then."

"The fact is that the world economy is on drugs -- and they're called credit. The debt burden on states and banks has piled so high that a difficult detox with unpredictable consequences can only be hindered with even more money."

"It's clear that politicians will look to the central banks more and more because the glut of money doesn't need approval from any parliament. And the consequences will only be clear years from now, namely, in the form of increasingly swift inflation. This way, just like drug addicts, we're only buying more time. And without the essential therapy, we're only making the withdrawal and later recovery more difficult."

Center-left daily **Süddeutsche Zeitung** writes:

"The real economy should be concerned that banks won't have any more money to lend, at which point the world would slide into a recession -- at least that's the horrific scenario put forward by scaremongers. But, on Wednesday, the big central banks showed the world that the situation isn't that serious yet. Together the global finance markets made more money available to prevent funding shortfalls at European banks, which would in turn affect businesses."

"The concerted action is right because it affects the core business of the central banks: controlling the market through money supply. With this, they've also given Merkel some breathing room in her race against time. It's still possible to put Europe on the path to stability. The alternative is inflation."

48. December 2, 2011

"Geithner to urge Europe leaders to take action"—Glenn Somerville and David Lawder
(at <http://www.reuters.com/article/2011/12/02/us-usa-geithner-europe-idUSTRE7B12JI20111202>)

(Reuters) - Treasury Secretary Timothy Geithner is set to urge key European officials to take decisive action next week at a make-or-break summit to prevent a debt crisis from turning into runaway contagion.

Treasury announced Geithner will meet French President Nicolas Sarkozy, new Italian Prime Minister Mario Monti, and Spanish Prime Minister-elect Mariano Rajoy on the December 6-8 trip, which will include stops in Frankfurt, Berlin, Paris, Marseille and Milan.

At a briefing later, a senior Treasury official said President Obama had asked Geithner to make the trip and said he would be ready to offer insights and suggestions to the Europeans as they refine their own plans.

The official indicated that European countries had held discussions with the International Monetary Fund about providing bilateral loans that could be used to bolster its resources.

CONGRESS WATCHING WARILY

But the senior Treasury official said the United States was not planning to make such loans to the IMF and said the lender's resources were adequate.

There did not seem to be a case currently for the United States to try to augment the IMF's resources, nor would Congress likely be willing to do so, the official indicated.

Having [euro zone](#) governments provide bilateral loans to the IMF from national central banks could be one way for Europe to meet international demands that the region use more of its own money to tame the crisis.

The IMF could then lend the money to governments that needed the extra support.

Within the eurozone, lending through national central banks would circumvent any concern that the European Central Bank was funding profligate governments.

The U.S. Treasury official said it was important that countries like [Italy](#) and Spain, which are trying to get their debts under control, continue to have access to funds at reasonable borrowing rates.

The official said Europe has resources to cope with its crisis but has to muster the political will to do so and to shore up its own firewall to keep the situation from infecting other larger economies.

Both Geithner and Obama have been vocal in warning that a wider crisis would hurt a still-fragile U.S. recovery. Geithner has urged Europe to eliminate the threat of "cascading defaults."

EVERYONE AT RISK

The Treasury's chief economist, Jan Eberly, on Friday said a European recession brought about by the debt crisis would pose serious risks to the U.S. economy, with 15 percent of total U.S. exports going to the euro-zone's 17 member countries.

"That's a substantial exposure from U.S. economy to what happens in Europe, so that's absolutely a source of concern," Eberly, the assistant secretary for economic policy, told reporters.

She added that the United States should continue and expand its fiscal support in the face of such risks from Europe.

Geithner will start his trip in Frankfurt, where he will meet with European Central Bank President Mario Draghi and Bundesbank President Jens Weidmann. The ECB under Draghi, who took the bank's helm at the start of November, has shown willingness to take bolder steps to ease the crisis.

Among steps likely to be discussed at the December 9 European Union summit is greater ECB purchases of euro-zone sovereign bonds, an action that [Germany](#) wants tied to tougher budget controls for bloc members.

Geithner will meet with German Finance Minister Wolfgang Schaeuble in Berlin before traveling to Paris on December 7 to meet with Sarkozy and French Finance Minister Francois Baroin. Later that day he will fly to Marseille for a meeting with Rajoy. He will meet with Monti on December 8 in Milan before returning to Washington.

Geithner will not stay for the December 9 EU summit in Brussels, which follows a string of half-measures agreed to by European leaders over nearly two years. Those measures failed to stop bond market contagion spreading from [Greece](#) to Ireland, Portugal and now Italy and Spain.

In September, Geithner attended an EU [finance](#) ministers meeting in Poland to urge more fiscal stimulus and suggest ways the firepower of the European-International Monetary Fund bailout facilities could be boosted. While a number of ministers welcomed his input, some gave him a cool reception.

49. December 2, 2011

"Germany's Merkel fights for Euro, Cameron for UK"—Catherine Bremer and Stephen Brown (at <http://www.reuters.com/article/2011/12/02/us-eurozone-idUSTRE7AROP320111202>)

pgh 11-16

German Chancellor Angela Merkel called earlier for rapid but limited treaty change to remedy what she sees as the root causes of Europe's raging sovereign debt crisis, warning that Europeans faced a "marathon" to regain lost credibility.

Outlining a long-term approach to tighter fiscal integration in the single currency area, with tougher budget discipline, she dismissed quick fixes such as massive U.S.-style money printing by the European Central Bank or issuing joint euro zone bonds.

"Resolving the sovereign debt crisis is a process, and this process will take years," Merkel told parliament, vowing to defend the euro, which she said was stronger than Germany's former deutschemark.

The chancellor travels to Paris on Monday to outline joint proposals with Sarkozy for treaty changes to create coercive powers to reject national budgets and impose automatic sanctions on serial deficit sinners. U.S. Treasury Secretary Timothy Geithner will meet key leaders and central bankers December 6-8 in Europe the EU summit.

Next Friday's gathering is seen by some as make-or-break for the euro zone after a string of half-measures agreed too late by European leaders over nearly two years have failed to stop bond market contagion spreading from [Greece](#) to Ireland, Portugal and now Italy and Spain.

Sources close to Merkel said she was willing to see the ECB step up buying of troubled euro zone countries' bonds, alongside smart use of the bloc's rescue fund, as a bridging measure until budget controls took hold, but she did not see it as a lasting solution.

50. December 2, 2011

"European Crisis could batter retirement funds of older Americans"—Bonnie Kavoussi
(at http://www.huffingtonpost.com/2011/12/02/europe-crisis-retirement-funds_n_1125770.html)

pgh 9-11

A recession in Europe would, however, damage U.S. companies by reducing European consumer demand for American goods, weakening export-driven economies in Asia and Latin America that help support U.S. economic growth, and drawing value out of U.S. stocks, since 14 percent of all S&P 500 stock sales come from Europe, said Howard Silverblatt, senior index analyst at S&P. U.S. stock values would plummet as the economic outlook in Europe darkens, he said.

Some large U.S. companies have a major presence in Europe, according to Silverblatt. For example, 39.8 percent of McDonald's sales are in Europe, as well as 25.2 percent of Johnson & Johnson's sales, 32 percent of the sales at health care companies Becton Dickinson and Baxter International, and 17 percent of Disney's sales, he said. A eurozone breakup could pull down the price of many of these European stocks.

"It would take a huge chunk out of everything," Silverblatt said of a eurozone breakup.

51. December 2, 2011

Economic Situation and Fiscal Challenges--Speech by Jürgen Stark, Member of the Executive Board of the ECB, at the Forecaster Club of New York, New York
(at <http://www.ecb.int/press/key/date/2011/html/sp111202.en.html>)

(pgh 2-3)

Introduction

"Thank you very much for the invitation to speak today to this distinguished audience at the Forecasters Club here in New York.

"Large parts of Europe are suffering from the ongoing sovereign debt crisis. An increasing number of sovereigns are facing financing problems. A solution needs to be found urgently. But fingers are pointing in different directions."

(pgh 6-8)

“Let me start with briefly sketching the economic and financial developments in the euro area during the years of crisis up to now.

“Following the collapse of Lehman, financial market tensions escalated in 2008. As a consequence, we witnessed a severe global recession. After the deep recession that started in 2008, euro area real GDP started to contract and stood in the first half of 2009 about 5% below its level one year earlier, compared to a contraction of the US economy of close to 5% taking into account the recent revisions to US national account data. Continued strong external demand as well as a strengthening of domestic demand where the main drivers behind the subsequent economic recovery [SLIDE 3]. At present, it seems that some of the downside risks we had identified earlier have been materialising. Looking ahead, short-term indicators and survey data suggest that real GDP growth may be very moderate towards the end of this year and at the beginning of next year. Indeed, economic activity in the euro area is adversely affected by a moderation in the pace of global demand. In addition, the crisis continues to weigh on confidence and financing conditions in the euro area. These developments are expected to dampen activity. At the same time, activity should benefit from continued positive economic growth in the emerging market economies, the continued extremely low levels of short-term interest rates and the various measures that have been implemented to support the functioning of the financial sector.

“Having said this, uncertainty remains very high and risks to the economic outlook on the downside.”

(pgh 15)

“The ECB has much less government securities on its balance sheet than the central banks of the US and the UK [SLIDE 10]. To be fair, this difference not only reflects the quantitative easing policy conducted in the UK and the US. In the US, for instance, government bonds already were an important item on the balance sheet of the Federal Reserve before the crisis. The Federal Reserve typically implements its monetary policy through purchases and sales of government bonds.”

(pgh 22-24)

In 2010, the aggregate fiscal balance of the euro area stood at more than 6% of GDP up from an almost balanced budget in 2000; euro area debt amounted to more than 85% of GDP in 2010. Moreover, 14 out of 17 euro area countries are currently facing an excessive deficit procedure related to a budgetary deficit above the 3% of GDP reference value of the Treaty. Particularly high deficits exist in the countries subject to EU/IMF programmes, i.e. in Ireland, Greece and Portugal, but also in some large euro area countries, notably Spain and France. As consequence, sizeable and persistent structural adjustment will be necessary in most euro area countries to put debt back on a declining path and reduce it to a sustainable level, in line with the 60% of GDP debt criterion of the Stability and Growth Pact.

However, most advanced economies face substantial fiscal consolidation requirements. Notably, for the US, the IMF estimates that general government gross debt will reach 100% of GDP in 2011 and that it will continue to rise through the year 2016. At the same time, the general government deficit is expected to remain close to 10% of GDP in 2011 [Slide 12]

As you can see from the slide, significant aggregate structural adjustment of 1 percentage-point of GDP per year will be necessary in the euro area to reduce the debt ratio to below 60% of GDP by 2030. For

the US, even such a relatively ambitious adjustment path would keep the debt-to-GDP at around 75% of GDP by 2030. These scenarios highlight the significant fiscal challenges we are facing on both sides of the Atlantic in the aftermath of the financial and economic crisis.

(pgh 28)

It is, therefore, of the utmost importance that European governments implement the announced fiscal consolidation and reform measures and ensure - by all means - the delivery of agreed fiscal targets. This will be crucial to regain market confidence, notably in countries with very high and strongly rising debt ratios and pronounced risks related to the expected ageing-related fiscal burden. For these countries, with a view to ensuring a sufficiently swift return to sound and sustainable fiscal positions, it appears to be advisable to implement fiscal adjustment beyond what is required to correct excessive deficits and converge towards the medium-term budgetary objective, typically a balanced budget.

(pgh 30)

Decision-making in crisis times is different in our democratic systems. In the US, a medium-term fiscal exit strategy has yet to be clearly specified. The bipartisan congressional committee on deficit reduction did not reach an agreement on measures to reduce the public deficit. At the same time, the recent downgrade of US long-term government debt and rising sovereign CDS spreads signal that no advanced economy is immune to a loss of market confidence in its public finances. It is therefore essential for the US to formulate a credible fiscal consolidation programme that returns its government debt to a declining path towards sustainable levels.

(Conclusion)

The lingering and expanding sovereign debt crisis must be halted to avoid macroeconomic and financial disaster, in the euro area and beyond. No country is immune anymore to a loss of market confidence in its public finances. With fiscal imbalances and deteriorating competitiveness in euro area countries at the root of the current crisis, there can in my view be no discussion which policymakers should make a move. Ambitious fiscal consolidation and structural reforms by national governments in the euro area are required now - or actually, yesterday. Only if the course of national policies is the right one can an accompanying financing scheme as the EFSF play a useful role to bridge the period when market access remains restricted. Monetary policy in the euro area was and will remain an anchor of confidence and stability. It will remain dedicated to its mandate of maintaining price stability. This is the necessary and central contribution that monetary policy can make to fostering sustainable growth, job creation and financial stability. Monetary policy should not be overburdened.

Thank you for your attention.

52. December 3, 2011

“Debt funds needed in all Eurozone states: Germany”—Reuters
(at <http://www.reuters.com/article/2011/12/03/us-germany-eurozone-fimmin-idUSTRE7B203020111203>)

pgh 1-6

(Reuters) - Every country in the euro zone needs to set up a special national fund for sovereign debt that is more than 60 percent of gross domestic product, Germany's [finance](#) minister told a newspaper.

Wolfgang Schaeuble, detailing a proposal he will make at a European Union summit on December 9, told the Passauer Neue Presse that a total of 500 billion euros (\$672 billion) would need to go into the German fund.

"We need a redemption fund in every single country of the [euro zone](#)," he told the newspaper in comments released on Saturday.

Tax revenues should be used to support the funds, Schaeuble said, adding that [Germany](#) would not need to raise taxes to implement the plan.

"Around 500 billion euros needs to be stored in the fund. This affects federal, state and municipal debt," he said.

German Chancellor Angela Merkel believes Schaeuble's proposal could help restore confidence in the euro, her spokesman said on Friday.

53. December 5, 2011

"Sarkozy, Merkel kick off week of crisis talks in Paris" —Catherine Bremer
(at <http://www.reuters.com/article/2011/12/05/us-eurozone-idUSTRE7B30AO20111205>)

pgh 1-2, 4-7, 12, 19-20, 22-23

(Reuters) - French President Nicolas Sarkozy and German Chancellor Angela Merkel meet in Paris on Monday under pressure to align their positions on centralizing control of [euro zone](#) budgets to stem a debt crisis that threatens Europe's currency union.

After individually outlining their views last week on closer fiscal integration, the two leaders must overcome remaining differences in order to fine tune proposals they want to present to EU leaders in Brussels on Thursday, on the eve of a summit.

They aim to agree proposals for more coercive budget discipline in the euro zone, likely via treaty change, which they want all 27 EU leaders to approve at Friday's summit.

Financial markets rallied last week after central banks took action to provide funding for European banks and on hopes of a Franco-German masterplan. European Central Bank chief Mario Draghi signaled that a euro zone "fiscal compact" could nudge the bank to act more decisively to fight the crisis.

The sticking point is that while Merkel wants euro states to surrender budgetary control to a European authority with veto power, which would require changing the EU treaty, [France](#) wants governments to have control of imposing sanctions on slackers.

While [Germany](#), fed up with costly bailouts, wants a more federal EU system, Sarkozy is under fire five months from a presidential election from political rivals who accuse him of being ready to hand over sovereignty to unelected EU officials.

Analysts cautioned that opposition in other euro states to a more intrusive and stringent fiscal regime could yet derail a rescue plan that has eluded euro zone leaders for two years.

Berlin and Paris are under unprecedented pressure to see eye to eye in a crisis that has split them on issues such as the role of the ECB in lending to troubled states and on the matter of whether the bloc should issue joint euro bonds.

Regarding another disagreement, over language in the euro zone's permanent bailout mechanism compelling bondholders to accept losses, sources told Reuters on Sunday that Germany was prepared to soften that reference to private sector involvement in line with France's wishes.

In terms of their push for closer fiscal governance, Berlin and Paris hope to short-circuit the complex treaty amendment procedure by wrapping their budgetary proposals into a single amended protocol. They hope to avoid a parliamentary convention and reduce the need for national referendums on ratification.

That position has angered some lawmakers, but they argue that the crisis is an emergency that requires swift action.

54. December 5, 2011

"George Soros: Global Financial System in 'Self-Reinforcing Process of Disintegration'" — Bonnie Kavoussi

(at http://www.huffingtonpost.com/2011/12/05/george-soros-global-financial-system_n_1129210.html)

whole article

Billionaire investor [George Soros](#) says that the global financial system is on the brink of collapse. Developed countries are falling into a "deflationary debt trap," in which consumer spending falls, products become more expensive, tax revenues drop, and sovereign debt grows, Soros said last week, according to the *Wall Street Journal*. As a result, he said, the global financial system is in a "self-reinforcing process of disintegration."

"The consequences could be quite disastrous," Soros, who was born in Hungary, said at the tenth anniversary of the International Senior Lawyers Project.

Concern is mounting that the eurozone may break up because of market pressure on European sovereign debt, which could plunge Europe into a depression and [the world into a recession](#). Observers are already worried that Europe could suffer a recession and subsequent slow growth for several years even if it averts a eurozone breakup, since products would remain expensive in the euro, making

consumers more hesitant to buy them and forcing governments to curtail budgets even more as consumer spending falls.

The markets have forced pressure on the eurozone because of these fears. Borrowing costs for [Italy](#) and [Spain](#) recently hit record highs, which economists say are unsustainable over the long term. Either of these countries would be forced to default on their debt if not enough investors are willing to buy their new sovereign debt at bond auctions.

If Italy or Spain defaults on their sovereign debt and leaves the eurozone, it would probably break up. Depositors likely would pull their investments from banks, large European banks would fail, borrowing costs for other countries would become unsustainable, and other countries would leave the euro. Such an outcome would depress lending and consumer spending and plunge Europe into a deep recession. European leaders [will meet for a summit](#) on Thursday and Friday to try to reach an agreement to stave off a breakup of the eurozone -- a deal they haven't been able to come to for two years.

European stock markets have fallen in response to the crisis in Europe. The FTSE Eurofirst 300 is down 9.97 percent for the year, the DAX in Germany is down 11.78 percent for the year, and the CAC 40 in France is down 14.70 percent for the year, according to Thomson Reuters.

Many economists say that the eurozone can avert a breakup only if the European Central Bank steps up to become a lender of last resort for troubled European countries. But the ECB has been purchasing European sovereign debt [only in limited amounts](#), and the central bank in Germany -- Europe's largest economy -- [has expressed concerns](#) that printing money to buy large amounts of European sovereign debt would violate the ECB's mandate to temper inflation. Nonetheless, sources close to German Chancellor Angela Merkel [have said she is prepared](#) to let the ECB buy more troubled European sovereign debt if those countries implement long-term budget cuts.

The United States itself continues to grapple with [federal debt that topped \\$15 trillion for the first time](#) last month, according to ABC.

55. December 5, 2011

"S&P piles pressure on Franco-German EU budget plan" —Catherine Bremer and Daniel Flynn (at <http://www.reuters.com/article/2011/12/05/us-eurozone-idUSTRE7B30AO20111205>)

(pgh 1-8, 14-18)

Reuters) - The leaders of [France](#) and Germany agreed a master plan involving treaty change on Monday to impose budget discipline across the euro zone as a top rating agency piled on pressure for a rapid solution to the EU debt crisis.

Standard & Poor's said it had told 15 of the 17 euro zone countries, including [Germany](#), France and four others with the top AAA credit rating, that it might downgrade them en masse within 90 days, depending on the outcome of a crucial EU summit on Friday.

President Nicolas Sarkozy and Chancellor Angela Merkel said their proposal included automatic penalties for governments that fail to keep their deficits under control, and an early launch of a permanent bailout fund for euro states in distress.

They said they wanted treaty change to be agreed in March and ratified after France wraps up presidential and legislative elections in June. "We need to go fast," Sarkozy said.

[Italy](#), the biggest euro zone nation in trouble, offered a glimmer of hope that the bloc could halt a crisis that is threatening the survival of the common currency. Its borrowing costs tumbled after its new technocrat government announced an austerity program.

French Finance Minister Francois Baroin said S&P's move did not take into account Sarkozy and Merkel's announcement.

After about two hours of talks with Merkel in Paris, Sarkozy told a joint news conference: "What we want ... is to tell the world that in Europe the rule is that we pay back our debts, reduce our deficits, restore growth."

Merkel added: "This package shows that we are absolutely determined to keep the euro as a stable currency and as an important contributor to European stability."

S&P told the governments it would conclude its review "as soon as possible" after the summit. "... systemic stresses in the eurozone have risen in recent weeks to the extent that they now put downward pressure on the credit standing of the eurozone as a whole," it said in a statement.

It highlighted "continuing disagreements among European policy makers on how to tackle the immediate market confidence crisis and, longer term, how to ensure greater economic, financial, and fiscal convergence among eurozone members."

It said ratings could be lowered by one notch for Austria, Belgium, Finland, Germany, the Netherlands and Luxembourg, and by up to two notches for the remaining nine placed under review, including currently AAA-rated France. Cyprus was already on downgrade watch and [Greece](#) already has a 'junk' CC-rating.

S&P also threw into relief the difficulty that euro zone countries face in trying not to strangle growth with so much austerity, saying there was a 40 percent chance that the output of the euro zone as a whole would shrink next year.

56. December 6, 2011

"Anxious Greeks Emptying Their Bank Accounts"—Ferry Batzoglou in Athens
(at <http://www.spiegel.de/international/europe/0,1518,802051,00.html>)

(pgh 1-4, 8-10, 14

Many Greeks are draining their savings accounts because they are out of work, face rising taxes or are afraid the country will be forced to leave the euro zone. By withdrawing money, they are forcing banks to scale back their lending -- and are inadvertently making the recession even worse.

Georgios Provopoulos, the governor of the central bank of Greece, is a man of statistics, and they speak a clear language. "In September and October, savings and time deposits fell by a further 13 to 14 billion euros. In the first 10 days of November the decline continued on a large scale," he recently told the economic affairs committee of the Greek parliament.

With disarming honesty, the central banker explained to the lawmakers why the Greek economy isn't managing to recover from a recession that has gone on for three years now: "Our banking system lacks the scope to finance growth."

He means that the outflow of funds from Greek bank accounts has been accelerating rapidly. At the start of 2010, savings and time deposits held by private households in Greece totalled €237.7 billion -- by the end of 2011, they had fallen by €49 billion. Since then, the decline has been gaining momentum. Savings fell by a further €5.4 billion in September and by an estimated €8.5 billion in October -- the biggest monthly outflow of funds since the start of the debt crisis in late 2009.

The hemorrhaging of bank savings has had a disastrous impact on the economy. Many companies have had to tap into their reserves during the recession because banks have become more reluctant to lend. More Greek families are now living off their savings because they have lost their jobs or have had their salaries or pensions cut.

In August, unemployment reached 18.4 percent. Many Greeks now hoard their savings in their homes because they are worried the banking system may collapse.

Those who can are trying to shift their funds abroad. The Greek central bank estimates that around a fifth of the deposits withdrawn have been moved out of the country. "There is a lot of uncertainty," says Panagiotis Nikoloudis, president of the National Agency for Combating Money Laundering.

The shrinking Greek bank deposits compare with bank loans totalling €253 billion. Analysts say the share of bad loans could rise to 20 percent next year, or €50 billion, as a result of the recession. This in turn will worsen the already pressing liquidity problems faced by Greek banks.

57. December 8, 2011

"The Global Crisis Reaches China: Unrest Spreads As Growth Stalls" —Wieland Wagner
(at <http://www.spiegel.de/international/europe/0,1518,802308,00.html>)

(pgh 1, 5-6, 9-10, last 6

China's leaders are currently contending with declining demand, rising debt and a real estate bubble. Some factories are laying off workers, suffering financial losses or even closing as orders from crisis-plagued Europe dry up. The economic strains are frustrating workers and consumers in the country, threatening the political establishment and Beijing's economic miracle.

The new global crisis has reached China. Debt problems in Europe, the country's most important trading partner, are starting to dim prospects here in the nation that has effectively become the world's factory, as well. The unstable United States economy and threat of a trade war between the two superpowers make the situation even more uncertain. As the US presidential election campaign starts to heat up, American politicians are vying to outdo one another in protectionist declarations directed toward their communist rival.

This October was the third straight month Chinese exports decreased. Along with it, the hopes of German manufacturers that Asia's growth market might help lift them out of the global crisis as it did in 2008 are also evaporating. This time [China](#) faces enormous challenges of its own -- a real estate market bubble and local government debt -- that could even pose a risk to the global economy.

Especially here in the export region of Guangdong, an experimental laboratory of Chinese capitalism, hardly a day goes by without new bankruptcies or protests. The Yue Chen shoe factory in Dongguan, which produces athletic shoes for a parent company in Taiwan that supplies brands such as New Balance, is in a state of emergency. With orders dropping off, the manufacturer has fired 18 managers.

Workers have seen overtime pay eliminated, and normal wages are barely enough to live on. Frustration is so high that some shoe factory workers also went to protest in front of city hall. About 10 of them were injured in the clash with police, some young women from the factory report.

The situation outside the gray factory complex is tense. Thugs in plainclothes guard the entrance, photographing and intimidating anyone who talks to the workers. Inside the factory, the showdown between bosses and employees goes on. Workers sit inactive in cheerless factory rooms. The management has switched off the power in some of the halls where workers normally sew and glue together shoes.

At first, it seemed as if Beijing's state capitalists had found the magic recipe for endless growth. In 2009, they pumped 4 trillion yuan (the equivalent of €430 billion) -- China's largest stimulus package in history -- into building ever more modern highways, train stations and airports. Tax incentives led millions of farmers to purchase refrigerators and computers for the first time.

More or less on the party's orders, banks threw their money at the people's feet, and local governments were particularly free about getting themselves into debt. By the end of 2010, outstanding debt stood at 10.7 trillion yuan -- nearly a quarter of China's entire economic output.

Much of these funds went, directly or indirectly, into real estate construction. Local governments discovered that selling land for building made for a lucrative source of revenue -- and of collateral, so banks would continue to issue new loans. Thousands of farmers were driven off their fields so that villas and apartment buildings could be built.

Many of those development projects, often megalomaniac undertakings from the start, are now ghost towns. In China's 15 largest cities in October, the number of newly auctioned building plots decreased by 39 percent compared to October 2010.

While many in the West hold out hope that China can solve the euro and dollar debt crisis with its foreign currency holdings, the rift between rich and poor within the country is growing. The

"harmonious society" promised by Hu Jintao, head of the government and of the [Communist Party](#), is at risk.

The country's central bank has increased interest rates five times since mid-2010 to get inflation under control, while at the same time forcing banks to hold larger reserve funds. Beijing hopes this method will allow it to orchestrate a "soft landing" from its own economic boom. But the maneuver entails risks. Along with the construction industry, the motor driving China's economy up until now, other sectors such as cement production, steelmaking and furniture construction stand to lose vitality as well.

58. December 8, 2011

"Stress Test Results: European Banks need 115 Billion Euros"—cgh with wire reports
(at <http://www.spiegel.de/international/business/0,1518,802588,00.html>)

(whole article)

The European Banking Authority has determined that banks in Europe need an additional 115 billion euros to conform with new capital ratio requirements. The sum is higher than an October estimate, largely because of capital deficits found at banks in Germany.

European banks are in need of cash, and will have to find some €114.7 billion to top up their capital reserves, according to a stress test carried out by the European Banking Authority. The EBA released the results of its analysis of capital requirements of European financial institutes on Thursday evening.

"The EU-wide recapitalisation exercise is an important element in strengthening European banks' position in the current environment characterised by heightened systemic risk arising from the sovereign debt crisis," the EBA said in a statement.

The EBA will demand that German banks come up with €13.1 billion to satisfy the new core capital ratio of 9 percent recently agreed to by European leaders. Banks have until mid-2012 to fulfil the requirements. The total needed is higher than the €106 billion estimated in October primarily because of the increased needs of banks in Germany, Austria, Belgium and Italy.

The new requirement for Germany is well over double the €5.2 billion estimated in October. According to an unnamed financial source cited by news agency Reuters, the country's leading bank, Deutsche Bank, will have to raise €3.2 billion while [struggling financial giant Commerzbank](#) needs to come up with €5.3 billion. Other banks in Germany that will have to find additional capital include state-owned banks LBBW, Nord LB, West LB and Helaba.

Big Hole in Spain

EU leaders increased capital requirements on the Continent in an effort to slow the growing mistrust of European financial institutions. With the euro-zone debt crisis still spreading, banks with large holdings of European sovereign bonds, particularly from debt-stricken countries, have been viewed with suspicion by other financial institutions. Interbank lending has slowed as a result.

Not surprisingly, the greatest lack of capital was found in Greece, where banks need some €30 billion. Following closely behind was Spain, where banks must come up with €26.2 billion. Italian banks need a total of €15.4 billion and French banks will have to find €7.3 billion. Banks have until the end of June to conform to the new capital requirements. Some will likely need state help.

Critics have said that the rapid increase of capital requirements may actually have made the problem worse. Originally, international agreements gave banks until 2017 to achieve a core capital ratio of 9 percent, allowing them plenty of room to get there on their own. Now, however, they only have six months, meaning several banks will likely [run into difficulties](#).

The EBA data comes just as European leaders are gathered in Brussels for a two-day summit focusing on possible solutions to the euro-zone debt crisis. Leaders hope to reach a far-reaching agreement aimed at deepening fiscal integration in the common currency area.

59. December 9, 2011

“Europe secures agreement to draft new treaty for deeper integration” —Reuters (Brussels: Luke Baker and Mark John)(Additional reporting by Catherine Bremer, Annika Breidhardt, John O'Donnell, Jan Strupczewski, Julien Toyer, Matt Falloon, Paul Carrel, James Mackenzie, Ilona Wissenbach, Justyna Pawlak and Andreas Rinke; Writing by Paul Taylor,; Editing by Mike Peacock)
(at http://www.huffingtonpost.com/2011/12/09/eu-treaty-europe-integration_n_1139319.html)

(pgh 1-5, 15-19,

BRUSSELS (Luke Baker and Mark John) - Europe secured an historic agreement to draft a new treaty for deeper economic integration in the euro zone on Friday, but Britain, the region's third largest economy, refused to join the other 26 countries in a fiscal union and was left isolated.

The outcome of a two-day European Union summit left financial markets uncertain whether and when more decisive action would be taken to stem a debt crisis that began in Greece in 2009, spread to Portugal, Ireland, Italy and Spain and now threatens France and even economic powerhouse Germany.

A new treaty could take three months to negotiate and may require losable referendums in countries such as Ireland. While nine non-euro-zone countries said they would join the euro zone in backing it, there were quickly notes of caution from some corners, including the Czech Republic and Hungary.

Two ECB sources told Reuters the European Central Bank would keep purchases of euro zone government bonds capped for now and take no extra firefighting action. Debt markets were wary. Interbank lending rates eased but Italian 10-year bond yields rose to around 6.5 percent.

Under the new treaty plan, the leaders agreed to pursue a tougher budget discipline regime with automatic sanctions for deficit sinners in the single currency area, but Britain said it could not accept the proposed treaty amendments after failing to secure concessions for itself on financial regulation.

You will see some further purchases but not the huge bazooka that some people in the markets and the media are awaiting," one central banker said on condition of anonymity.

French President Nicolas Sarkozy told reporters the ECB's move to provide unlimited three-year funds to cash-starved European banks would be more effective, by enabling them to continue buying government bonds.

"This means that each state can turn to its banks, which will have liquidity at their disposal," he said. Analysts said the notion that commercial banks could step up their purchases of government bonds looked optimistic given the same banks are being asked to deleverage and recapitalize.

"The lesson for banks from the stress tests was don't buy Italian bonds," said Berenberg bank economist Holger Schieding. "Buying Italian bonds is probably the last thing banks will do with this extra liquidity."

60. December 9, 2011

"EU path 'Could Threaten Eurozone Cohesion'" —David Knight, with wires
(at <http://www.spiegel.de/international/europe/0,1518,802688,00.html>)

(pgh 1-5, 10, 14-17, 19-20

The European Central Bank is resisting calls to buy government bonds, but it has cut interest rates to just one percent. German commentators on Thursday examine whether the ECB is pursuing the right course of action in the face of the currency crisis.

It certainly wasn't news the world's financial markets had expected or wanted to hear. On Friday, Asian stocks became the latest to tumble on the news that the European Central Bank (ECB) would not be buying up more large chunks of government bonds. Investors had been counting on such a move to help ease the euro zone's debt crisis.

But ECB president Mario Draghi said late on Thursday at a [crucial summit of European leaders](#) that the bank did not anticipate increasing the scale of its bond interventions, which would have kept borrowing costs down for weaker countries like Italy and Spain.

In a sign of rising concern over the debt crisis, however, the ECB also announced a cut in the base interest rate to 1 percent, as well as several other measures to bolster Europe's economy and financial system. Banks can now borrow unlimited amounts of ultra-cheap money for up to 36 months and rules on collateral for these loans will be loosened by making lower rates on mortgages and bank loans acceptable. Rules on how much capital banks must hold in reserve with the ECB were also relaxed, which will free up the banks to lend and invest more.

But the package was met with little enthusiasm. Stocks fell heavily alongside the euro, while borrowing costs for European governments rose. Based on comments Draghi made in a speech last week, many had hoped that the ECB was prepared to ramp up its purchases of European government bonds as the euro zone continues to slide toward recession. But on Thursday he said the bank had no explicit plan to do so and was "surprised" by the way his remarks had been interpreted.

German commentators Thursday analysed whether the ECB's course of action was correct:

Conservative daily **Die Welt** writes:

"The outlook for the euro zone is bad. Anyone who didn't yet believe that needed only to look at the package of measures agreed to by the European Central Bank (ECB). The monetary authority not only lowered the key interest rate to an historical low of 1 percent, but in order to stabilize the shaky situation in the financial sector, the ECB has come to the aid of the banks, granting them liquidity for a period of three years. That the collateral which the banks must lodge for these loans has also been reduced is a sign of how bad things in Europe have really become."

"What Europe needs is a package of short-term measures that can help bridge the liquidity problems of the crisis countries, coupled with a medium- to long-term adjustment program leading to economic growth. This means that the affected countries must reform their economies and labor markets so that wages and costs are reduced considerably. Companies in these countries will have to lay off hundreds of thousands of workers in order to become competitive internationally.

The **Financial Times Deutschland** writes:

"Many investors may be disappointed by Draghi's public assertion that the central bank will not buy up unlimited government bonds from the countries in crisis. But that is not surprising. For one thing, it is not urgently necessary. Europe's biggest worry, Italy, has a couple of weeks before it has to inundate investors with cash. Besides, the markets have been relatively calm recently."

"And another point: If Draghi had announced a plan to buy up the bonds, then Europe's leaders, meeting at their crisis summit, would have probably thought that they could yet again put off finding a solution for the euro crisis, because the ECB would take care of things. Unfortunately, Europe's leaders have proven over the past few months that they only enact necessary reform when they are placed under extreme pressure. That this pressure is now coming from the ECB, and not just the markets, is not a bad thing."

The business daily **Handelsblatt** writes:

"Even if Draghi didn't want to hear this interpretation yesterday, a game of back and forth between the ECB chief and Merkel and Sarkozy seems to be looming. Together the German chancellor and French president are pushing through a harsh fiscal pact, and then the ECB will help fill in the gaps until the governments agree on treaty changes and all euro countries have voted on them."

"In the end, there could be a currency union that is much more stable than the current situation. But it is a dangerous game. For the next year or more, Draghi must accept the risk that the currency union could break apart with a loud crack, possibly sparking a global financial crisis that would make the Lehmann Brothers bankruptcy fallout look harmless. This is because there is no guarantee that the politicians can deliver their end of the informal deal."

61. December 12, 2011

"Celebration succumbs to concern for Eurozone" —Liz Alderman
(at http://www.nytimes.com/2011/12/13/business/global/moodys-warns-of-possible-downgrade-to-some-euro-zone-economies.html?_r=1&adxnnl=1&adxnnlx=1323692651-LyoKawjR2dWUyCkj3+HAOw)

(pgh 1-4, 8-13, 21)

PARIS — The initial euphoria surrounding the deal by European leaders last week to strengthen the euro zone quickly gave way to a darker mood Monday, as ratings agencies warned that the European sovereign debt crisis remained at a critical stage that policy makers would find difficult to contain.

In European trading and on Wall Street, shares fell sharply after [Moody's Investors Service](#) and the Fitch Ratings warned that European efforts to protect the common currency had not resolved the immediate dangers of a significant economic downturn and troubles in the banking system.

By taking a “gradualist” approach to forging a true fiscal union among the 17 euro zone members, politicians were imposing additional economic and financial costs on the region, Fitch warned. “It means the crisis will continue at varying levels of intensity throughout 2012 and probably beyond, until the region is able to sustain broad economic recovery,” the agency said.

Moody's said it was putting the sovereign ratings of European Union countries on review for a possible downgrade in the coming months. Standard & Poor's issued a similar warning last week, saying it could lower the sterling credit ratings of Germany and France and cut other countries' [credit scores](#) as Europe headed into a probable [recession](#) next year.

Amid last week's political theater, the E.C.B. took a crucial step to help prevent the biggest European banks from succumbing to an increasingly volatile economic and market environment by agreeing to provide banks with unlimited funds for up to three years.

“That reduces the possibility of a Lehman moment quite substantially,” Jacob Kirkegaard, a senior fellow at the Peterson Institute for International Economics in Washington, said during a conference call on the crisis. “It says to every bank in the euro area that even if you're shut out of the market, we are the lender of last resort and provide you with necessary funding.”

While that may ease the pressure on the financial system, any further downgrade in the credit rating of European governments could raise the fever of the crisis by making it more expensive for the weakest countries to service their debts. It could also make it more difficult for banks in Italy, Spain and even France to get credit from other banks, causing a potential pullback in lending to consumers and businesses at a time when economic growth is already being squeezed.

In the lightning-fast world of financial markets, the efforts by Mr. Sarkozy, Chancellor Angela Merkel of Germany and other euro zone leaders appear to be moving too slowly to satisfy the demands of investors.

While the summit meeting in Brussels on Thursday and Friday marked a major step toward greater fiscal union among the core countries, the architecture will take months, even years, to construct. In the meantime, the decision to embrace significant new spending cuts and tax increases across much of Europe at a time of economic weakness is expected to undermine growth in the immediate future, analysts said.

The total since the E.C.B. began buying government bonds last year stood at €207.5 billion, about a tenth of what the Federal Reserve has spent as part of its effort to bolster growth in the United States by adding to the money supply.

62. December 14, 2011

"Interview with Mario Draghi, President of the ECB"--conducted by Lionel Barber and Ralph Atkins (Financial Times) on 14 December 2011 in Frankfurt (at <http://www.ecb.int/press/key/date/2011/html/sp111219.en.html>)

(Question3, pgh 2)

Coming back to what banks are going to do with this money: we don't know exactly. The important thing was to relax the funding pressures. Banks will decide in total independence what they want to do, depending on what is the best risk/return combination for their businesses. One of the things that they may do is to buy sovereign bonds. But it is just one. And it is obviously not at all an equivalent to the ECB stepping-up bond buying.

(Final Question, and answer)

What are you expectations for global growth next year?

You could have a significant slowdown in several parts of the world. Global growth is decelerating, and uncertainty has risen. At the same time, we have laid a lot of groundwork for a better functioning of economic union in the future and we should draw confidence from that.

63. December 14, 2011

"IEA warns oil prices threaten global economy"—Alex Kennedy, Associated Press (at <http://www.google.com/hostednews/ap/article/ALeqM5hxepH49Buv9EC6Q4HWIjaGcqk1lw?docId=42cd79eb465946818337512d004a1c47>)

(whole article)

SINGAPORE (AP) — High oil prices threaten to worsen a global economic slowdown and crude producers should consider boosting output, the chief economist for the International Energy Agency said Wednesday.

"The current high oil prices have the potential to strangle the economic recovery in many countries," Fatih Birol said in a speech Wednesday in Singapore. "I hope that high oil prices don't slow down Chinese economic growth and the negative effect that would have on the global recovery."

Crude has jumped to \$100 a barrel from \$75 in October amid signs the U.S. economy will likely avoid a recession. Most economists expect global economic growth to slow next year as Europe's debt crisis threatens to drag the continent into recession.

Birol suggested crude producers should boost output amid growing demand in developing countries and falling inventories in wealthy nations.

The Organization of Petroleum Exporting Countries is meeting later Wednesday in Vienna to decide whether to change the cartel's output quotas.

"I'm sure OPEC knows much better than me what to do," Birol said when asked if OPEC should raise output. "But seeing that oil prices are still high today and the negative effect that has on the recovery of the global economy, I hope the energy producing countries will take these things into account and make their decision accordingly."

Birol said crude prices could rise to \$150 by 2015 if oil-producing countries in the Middle East and North Africa don't invest \$100 billion a year to maintain existing fields and develop new ones.

More than 90 percent of global crude production growth during the next 20 years will come from that region, led by Saudi Arabia, Iran, Iraq, Kuwait, Algeria and United Arab Emirates, Birol said.

"Recent developments, including the Arab Spring, have changed the mindset of many governments," Birol said "In some countries, oil investments have been diverted to social spending. Oil policies are taking on a more nationalistic tone, which means not to increase production as much is needed in the world market."

64. December 15, 2011

"No quick fix for eurocrisis in 2012" —William L. Watts, MarketWatch
(at <http://www.marketwatch.com/story/no-quick-fix-for-euro-crisis-in-2012-2011-12-15?pagenumber=1>)

(pgh 25-34)

Italy is the euro zone's third-largest economy and the world's third-largest bond market. Europe's banks are heavily exposed to Italian debt.

If shut out of bond markets, Italy's collapse could easily overwhelm Europe's resources, potentially spelling a messy end for the euro, economists say.

"Shoring up confidence in Italy is the sine qua non for the euro zone's survival," Spiro said.

The crisis, meanwhile, hasn't seen Europe's politicians cover themselves in glory.

The Dec. 9 summit marked at least the fifth time leaders got together to present a plan billed as a comprehensive solution to the crisis.

And in the end, responsibility for keeping the euro together may still fall on the reluctant shoulders of the European Central Bank.

"At some point, [ECB President Mario] Draghi will challenge the German view that printing money by buying bonds is bad and causes inflation under any and all circumstances," said Carl B. Weinberg, chief economist at High Frequency Economics in Valhalla, N.Y. "And he will win."

Weinberg argues that the only way to insulate the euro zone's crippled banks is for the ECB to effectively create cash by buying bonds and not offsetting the purchases by draining a corresponding amount of liquidity from the financial system.

Unless the ECB goes down that road, borrowing by Europe's bailout funds will crowd out private demand, resulting in a depression for the euro zone, he said.

Indeed, banks are at the epicenter of the crisis. Institutions are increasingly leaning on the ECB to provide funding as banks prove more and more reluctant to lend to each other.

65. December 15, 2011

"Fragile and Unbalanced in 2012" —Nouriel Roubini
(at <http://www.project-syndicate.org/commentary/roubini45/English>)

(whole article)

NEW YORK – The outlook for the global economy in 2012 is clear, but it isn't pretty: recession in Europe, anemic growth at best in the United States, and a sharp slowdown in China and in most emerging-market economies. Asian economies are exposed to China. Latin America is exposed to lower commodity prices (as both China and the advanced economies slow). Central and Eastern Europe are exposed to the eurozone. And turmoil in the Middle East is causing serious economic risks – both there and elsewhere – as geopolitical risk remains high and thus high oil prices will constrain global growth. At this point, a eurozone recession is certain. While its depth and length cannot be predicted, a continued credit crunch, sovereign-debt problems, lack of competitiveness, and fiscal austerity imply a serious downturn.

The US – growing at a snail's pace since 2010 – faces considerable downside risks from the eurozone crisis. It must also contend with significant fiscal drag, ongoing deleveraging in the household sector (amid weak job creation, stagnant incomes, and persistent downward pressure on real estate and financial wealth), rising inequality, and political gridlock.

Elsewhere among the major advanced economies, the United Kingdom is double dipping, as front-loaded fiscal consolidation and eurozone exposure undermine growth. In Japan, the post-earthquake recovery will fizzle out as weak governments fail to implement structural reforms.

Meanwhile, flaws in China's growth model are becoming obvious. Falling property prices are starting a chain reaction that will have a negative effect on developers, investment, and government revenue. The construction boom is starting to stall, just as net exports have become a drag on growth, owing to weakening US and especially eurozone demand. Having sought to cool the property market by reining in runaway prices, Chinese leaders will be hard put to restart growth.

They are not alone. On the policy side, the US, Europe, and Japan, too, have been postponing the serious economic, fiscal, and financial reforms that are needed to restore sustainable and balanced growth.

Private- and public-sector deleveraging in the advanced economies has barely begun, with balance sheets of households, banks and financial institutions, and local and central governments still strained. Only the high-grade corporate sector has improved. But, with so many persistent tail risks and global uncertainties weighing on final demand, and with excess capacity remaining high, owing to past over-investment in real estate in many countries and China's surge in manufacturing investment in recent years, these companies' capital spending and hiring have remained muted.

Rising inequality – owing partly to job-slashing corporate restructuring – is reducing aggregate demand further, because households, poorer individuals, and labor-income earners have a higher marginal propensity to spend than corporations, richer households, and capital-income earners. Moreover, as inequality fuels popular protest around the world, social and political instability could pose an additional risk to economic performance.

At the same time, key current-account imbalances – between the US and China (and other emerging-market economies), and within the eurozone between the core and the periphery – remain large. Orderly adjustment requires lower domestic demand in over-spending countries with large current-account deficits and lower trade surpluses in over-saving countries via nominal and real currency appreciation. To maintain growth, over-spending countries need nominal and real depreciation to improve trade balances, while surplus countries need to boost domestic demand, especially consumption.

But this adjustment of relative prices via currency movements is stalled, because surplus countries are resisting exchange-rate appreciation in favor of imposing recessionary deflation on deficit countries. The ensuing currency battles are being fought on several fronts: foreign-exchange intervention, quantitative easing, and capital controls on inflows. And, with global growth weakening further in 2012, those battles could escalate into trade wars.

Finally, policymakers are running out of options. Currency devaluation is a zero-sum game, because not all countries can depreciate and improve net exports at the same time. Monetary policy will be eased as inflation becomes a non-issue in advanced economies (and a lesser issue in emerging markets). But monetary policy is increasingly ineffective in advanced economies, where the problems stem from insolvency – and thus creditworthiness – rather than liquidity.

Meanwhile, fiscal policy is constrained by the rise of deficits and debts, bond vigilantes, and new fiscal rules in Europe. Backstopping and bailing out financial institutions is politically unpopular, while near-insolvent governments don't have the money to do so. And, politically, the promise of the G-20 has given way to the reality of the G-0: weak governments find it increasingly difficult to implement international policy coordination, as the worldviews, goals, and interests of advanced economies and emerging markets come into conflict.

As a result, dealing with stock imbalances – the large debts of households, financial institutions, and governments – by papering over solvency problems with financing and liquidity may eventually give way to painful and possibly disorderly restructurings. Likewise, addressing weak competitiveness and current-account imbalances requires currency adjustments that may eventually lead some members to exit the eurozone.

Restoring robust growth is difficult enough without the ever-present specter of deleveraging and a severe shortage of policy ammunition. But that is the challenge that a fragile and unbalanced global

economy faces in 2012. To paraphrase Bette Davis in *All About Eve*, "Fasten your seatbelts, it's going to be a bumpy year!"

Nouriel Roubini is Chairman of Roubini Global Economics and professor at the Stern School of Business, New York University. His detailed 2012 global growth outlook is available at www.roubini.com

66. December 15, 2011

"As EuroCrisis continues, Bank Downgrades, Credit Squeeze, Signal Return to 2008—Bonnie Kavoussi

(pgh 1-7)

The situation in Europe is hitting global credit markets, making it harder for companies and banks to secure loans. Investors are buying fewer corporate bonds, and banks are finding it more difficult to borrow from each other. On Thursday, as the European Central Bank again resisted pleas for it to rescue the eurozone, worries about a severe credit crunch along the lines of the 2008 crisis grew.

"In some ways this is part two of the U.S. financial crisis," said Srinivas Thiruvadhanthai, an economist at the Jerome Levy Forecasting Center.

Credit rating agency Fitch Ratings downgraded nine major banks on Thursday, including Goldman Sachs, Bank of America and Morgan Stanley. While acknowledging that the banks are in better shape now than in 2008, the rating agency cited vulnerability to the increased market turmoil stemming from "economic developments and regulatory challenges."

Many fear that one cataclysmic event -- such as the default of Italy or a major European bank failure -- could freeze credit markets, plunging the world into a recession similar to the downturn resulting from the bankruptcy of Lehman Brothers in 2008.

"As the situation in Europe goes, so does the global economy," said Adrian Miller, fixed-income strategist at Miller Tabak Roberts Securities.

Miller said that the bond markets have been moving in sync with the European crisis; recently he's noted that investors are growing wary of lending even to so-called safe businesses. Global investors are buying about 40 percent fewer new high-quality U.S. corporate bonds than in mid-May, according to Miller. Meanwhile, there's been about a 70 percent plunge in the purchasing of new, risky U.S. corporate bonds: While global investors bought about \$8 billion of these bonds per week in mid-May, now they are buying just \$2.5 billion.

As European banks slash lending in order to meet new capital requirements, European companies have been hit somewhat harder. Purchases of newly issued risky European corporate bonds have plunged about 80 percent since mid-May, according to Miller.

67. December 16, 2011

"Fitch: Comprehensive Euro zone deal 'beyond reach'" —Gavin Jones and Stephen Brown

(at <http://www.reuters.com/article/2011/12/16/us-eurozone-idUSTRE7BF00X20111216>)

(pgh 1-10, 35-36)

(Reuters) - The credit rating agency Fitch said on Friday it thought a comprehensive solution to the euro zone's debt crisis was beyond reach, putting six euro zone economies including [Italy](#) on watch for potential near-term downgrades.

It reaffirmed France's top-notch triple-A rating but even here said the outlook was now negative, meaning it could be downgraded within two years.

Underscoring the tensions within the bloc over a crisis that has spread relentlessly over the past two years, Italy's prime minister urged European policymakers to beware of dividing the continent with their efforts to fight its debt crisis.

In a swipe at [Germany](#), he warned against a "short-term hunger for rigour" in some countries.

Germany has led resistance to allowing the European Central Bank to ramp up its buying of government bonds on the open market to a big enough scale to douse the crisis, but Fitch added to the pressure for just such a move.

Fitch said that following the EU summit a week ago it had concluded that "a 'comprehensive solution' to the eurozone crisis is technically and politically beyond reach."

"Of particular concern is the absence of a credible financial backstop," it said. "In Fitch's opinion this requires more active and explicit commitment from the ECB to mitigate the risk of self-fulfilling liquidity crises for potentially illiquid but solvent Euro Area Member States."

It put Belgium, Spain, Slovenia, Italy, [Ireland](#), and Cyprus on negative watch, which could mean a downgrade within three months. Later another agency, Moody's, downgraded Belgium's credit rating by two notches, and said a further downgrade was possible within two years.

Standard & Poor's had already warned 15 of the currency bloc's 17 members they were close to a downgrade.

"The systemic nature of the [euro zone](#) crisis is having a profoundly adverse effect on economic and financial stability across the region," Fitch said.

Banks appear to be resisting pressure from governments to come to the aid of debt-choked euro zone countries by using cheap money lent by the ECB to buy more sovereign bonds.

The chief executive of UniCredit, one of Italy's two biggest banks, said this week that using ECB money to buy government debt "wouldn't be logical."

68. December 18, 2011

"Eurozone to push on with crisis steps, Fitch doubts outcome"—Jan Strupczewski

(at <http://www.reuters.com/article/2011/12/18/us-eurozone-idUSTRE7BF00X20111218>)

(20-27, 35-37)

Market response to the December 9 summit has been cool, mainly because of the reticence of the European Central Bank to step up euro zone bond purchases and declare its willingness to do so. "While acknowledging the extraordinary measures the ECB has adopted to provide liquidity to the European banking sector, its continued reluctance to countenance a similar degree of support to its sovereign shareholders undermines the efforts by euro area member states to put in place a credible financial 'firewall'," Fitch ratings agency said on Friday.

Other uncertainties also weighed.

"A week after the Brussels summit the basis of the agreement reached there has begun to unravel even more quickly than is normally the case," Emirates NBD bank said in a research note.

"Virtually all aspects of the deal appear to be being pulled and picked apart, from the degree of fiscal integration, the amount of firepower available for the bailout funds, and even to the support pledged to the IMF," the bank said.

"As a result the emphasis is likely to fall even more heavily on the ECB to keep the Eurozone system functioning."

The ECB, which is forbidden by EU law from directly financing government deficits, welcomed the December 9 agreement on more fiscal discipline in the euro zone, but doused expectations it would ramp up sovereign debt buying in return.

As a result, Fitch concluded that a 'comprehensive solution' to the crisis was technically and politically beyond reach.

Instead of unlimited bond buying, the ECB will offer banks this week an opportunity to borrow money for three years for the first time, extending the current one year maximum ceiling for refinancing.

[France hopes banks will use the money to buy euro zone bonds, and ease the upward pressure on yields, but Italy's Unicredit bank said last week this "wouldn't be logical" for banks under pressure to reduce risk and rebuild capital.](#)

Fitch warned that six euro zone economies including Italy and Spain could be hit with credit downgrades in the near future. This is the second time in two weeks that the euro zone has been threatened with multiple ratings markdowns after a similar statement from Standard & Poor's.

69. December 19, 2011

Hearing at the Committee on Economic and Monetary Affairs of the European Parliament--Introductory statement Mario Draghi, President of the ECB, Brussels

(at http://www.ecb.int/press/key/date/2011/html/sp111219_1.en.html)

(pgh 6, 10-12, 23-24)

As regards the short-term growth outlook for the euro area, the intensified financial market tensions are continuing to dampen economic activity in the euro area and the outlook remains subject to high uncertainty. Euro area economic activity should recover, albeit very gradually, in the course of 2012, as also projected by Eurosystem staff in early December. Substantial downside risks to this economic outlook nevertheless remain.

Let me now turn to the latest non-standard measures. Such measures should prevent adverse effects on the monetary policy transmission mechanism stemming from the ongoing tensions in parts of the euro area financial markets. They should in particular mitigate the effects of strains in financial markets on the supply of credit to firms and households.

First, several measures have been enacted to ensure that banks maintain access to funding markets.

- We have decided on three-year refinancing operations to support the supply of credit to the euro area economy. These measures address the risk that persistent financial markets tensions could affect the capacity of euro area banks to obtain refinancing over longer horizons

It has been agreed that the annual structural deficit should not exceed 0.5% of nominal GDP. Euro area Member States will implement such a rule in their national legal frameworks at a constitutional level. The objective is to avoid excessive deficits before they arise, rather than trying to control them after they have emerged. An automatic correction mechanism is also foreseen in case of deviation. Moreover, the leaders agreed on a numerical benchmark for annual debt reduction to bring down debt levels. Sanctions will also apply automatically to euro area Member States in breach of the 3% reference value for deficits. The European Court of Justice may be asked to verify the implementation of these rules at national level.

The new fiscal compact is an essential signal, showing a clear trajectory for the future evolution of the euro area. It frames expectations of both citizens and financial markets. Enshrining strict rules in primary legislation, making them enforceable by the European Court of Justice: all of this should contribute to making public finances in the euro area credibly robust. The ECB welcomes this outcome.

70. December 19, 2011

“Beyond Borders: Europeans Stash Money Elsewhere” —Deborah Ball, Sabrina Cohen, and Stelios Bouras

(at

http://online.wsj.com/article/SB10001424052970204844504577098513910520708.html?mod=WSJ_hp_LEFTTopStories)

(pgh 1-2)

Southern European investors, fearful of the health of their banks and the future of the euro, are increasingly stashing their wealth in currencies, real estate and investment products outside the euro zone, say bankers and government officials.

In a troubling sign for European banks, investors in Greece, Portugal and Italy are asking bankers and lawyers for ways to protect their money in the case of a failure of euro-zone banks or a breakup of the euro itself. Some are converting deposits into currencies such as the Swiss franc. Others are buying real estate outside the monetary union, such as in ...

71. December 19, 2011

“Hedge fund bells are ringing over China”—Sam Jones
(at <http://www.ft.com/intl/cms/s/0/517d6668-2a4b-11e1-b7f2-00144feabdc0.html#axzz1iUd5LOVE>)

(pgh 4-7, 18-23)

As the Emerging Sovereign Group, a \$1bn hedge fund backed by Julian Robertson and half owned by Carlyle, one of the world’s biggest private equity groups, told its clients in a recent note: “[we have a] gathering sense that the next act of this rolling global debt crisis may well play out in the East.”

Take the most obvious barometer. The Shanghai Composite has been locked into a steady downward trajectory since April that has seen it shed over 27 per cent of its value since then.

ESG sent a team for a two week “deep-dive research trip” to China in October, an investor told the Financial Times.

“Even though an aggressive stimulus program allowed China to sidestep a post-Lehman recession, rendering events there, for a time, secondary to developments in the US and Europe, the Chinese economy could soon take centre stage,” the firm said.

The picture being painted certainly looks familiar: much of the wave of stimulus money released by Beijing since 2008 went into construction and property. And so it is that western traders, wary of the lessons of subprime America, are now looking with some astonishment at the price even modest properties command relative to average earnings.

In cities like Beijing or Shanghai, apartments are said by analysts to sell for as much as 30 times average annual income. Compare that to just under 6 times for the worst-stricken subprime properties in the pre-crash US.

Hugh Hendry, one of the hedge fund industry’s most voluble figures, has long been critical of China’s property boom. It is only recently, however, that a jerky, homemade video he uploaded to YouTube in 2009 has become something of a hit in hedge fund circles. His surreptitious film of soaring skyscrapers, empty malls and deserted developments has had over 113,000 views.

Indeed, Mr Hendry seemed like something of a Cassandra when he launched a “short China” credit fund earlier this year. His performance has spoken louder than his words, however. His short China fund is up 52 per cent as of the end of November, compared to a loss of 4.3 per cent for his average peer.

The read-across from such returns could have far-reaching implications.

As Jonathan Anderson, an emerging markets economist at UBS declared in March, China's property market, much like that of the US before it, is probably, "the single most important sector in the entire global economy."

72. December 21,2011

"The European Debt Crisis: A Beginner's Guide" —Alexander Eichler
(at http://www.huffingtonpost.com/2011/12/21/european-debt-crisis_n_1147173.html)

(most of article)

WHAT IS THE EUROPEAN DEBT CRISIS?

In its most basic form, it's just this: Some countries in Europe have way too much debt, and now they risk not being able to pay it all back. Simple!

There's more to it than that, of course, but when people talk about the "crisis," what they're worried about is that a big, scary, flashpoint event will happen -- like one or more of the eurozone countries defaulting on its debts -- causing investors to panic and triggering a massive banking shock.

The possibility also looms that one or more countries will pull out of the eurozone -- the 17-nation bloc that use the euro currency, which has been around since 1999. Should any of the eurozone nations drop out of this group, it could lead to a rash of bank failures in Europe, and possibly in the United States as well. Under these circumstances, people and businesses who need money might not be able to get any. We'd be looking at depression for Europe and recession for the rest of the world. Some people argue that an orderly, controlled eurozone break-up would be a good thing for certain struggling debtor nations. Still, even this relatively benign scenario carries economic fallout for Europe and maybe beyond.

HOW DID THIS HAPPEN?

The reason everyone is freaking out now is that while some eurozone countries are relatively sound from an economic standpoint, other countries are way over-leveraged, meaning they have too much debt relative to the size of their economies. And the troubles of a few countries could end up affecting everyone, yoked together under one currency for the last decade -- even though their economies functioned according to different habits and enjoyed very different degrees of financial health.

Portugal, Ireland, Italy, Greece and Spain -- gathered under the unfortunate acronym PIIGS -- are some of the most highly leveraged eurozone countries, and most people think that if a disaster happens, it will start with one of them. Italy's debt is 121 percent the size of its economy. For Ireland, that figure is 109 percent. In Greece, it's 165 percent.

The PIIGS took different paths to this scenario. Ireland, for example, underwent a massive real estate bubble, and its banks sustained giant losses. The Irish government wound up rescuing its banks, and now the country is burdened under a huge debt load.

Spain, which now has a [22 percent unemployment rate](#), also experienced a huge housing bubble. The country didn't indulge in excessive borrowing -- rather, it ended up with high deficits because it couldn't collect enough tax revenue to cover its expenses.

Greece, on the other hand, not only borrowed beyond its means, but exacerbated the problem with lots of overspending, little economic production to make up the difference, and some creative bookkeeping to prevent eurozone authorities from realizing the true extent of the situation.

The deficits weren't piling up everywhere. Countries with strong economies like Germany and France were keeping their output high and their debt at a manageable level. But when 17 nations use the same currency, trouble spreads quickly.

Now that the size of the PIIGS' debt has become clear, investors are getting more and more reluctant to buy bonds from European countries, since many of those countries are heavily in debt -- and the ones that aren't in debt look like they might have to assume responsibility for the ones that are. Investors don't want to put their money into bonds if they think they might not eventually get that money back. And governments in Europe have a lot of debt and not much money -- and it's not clear how they're going to correct this.

WHOSE FAULT IS IT?

Blame often gets cast on the "irresponsible" countries who borrowed too much, taking advantage of the low interest rates available to all euro member nations. However, many argue that it's not right in all cases to blame indebted governments for their own situation, since not every country with high deficits actually engaged in reckless borrowing.

Others say the euro currency itself is to blame -- arguing that the idea that a single currency could meet the needs of 17 different economies was inherently flawed. Typically, a country's central bank can adjust a nation's money supply to encourage or inhibit growth as a way of dealing with economic turmoil. However, the nations yoked together under the euro frequently haven't had that option.

If Spain and Germany hadn't both spent the last several years on the euro, for example, then they wouldn't have been able to borrow at the same low interest rates -- an interest rate set by the European Central Bank, and one that made more sense for Berlin than for Madrid.

Greece might still be shouldering huge debts if not for the euro, but maybe it wouldn't be in a position to take down the rest of Europe with it. And if the PIIGS all still had their own individual currencies, they might be able to export their way out of the mess they're in -- selling goods on the international market until their respective situations were a little less dire. But as it is, they can't.

Alternatively, if you like, you could say the interconnectedness of the modern financial industry is to blame. That's certainly a reason default by Italy or a departure of the eurozone by a fed-up Germany -- to name two examples -- could reverberate around the world.

FROM THE OLD WORLD TO THE NEW

The crisis in Europe could end up affecting the U.S. in some very direct ways. American banks have billions of dollars at risk in European banks. And while that's actually a relatively small fraction of U.S.

banks' holdings, the indirect damage could be greater: U.S. business owners could be facing a credit crunch if overseas banks topple.

Further, the U.S. stands to suffer huge trade losses if Europe slips into a recession. Fourteen percent of all U.S. exports go to the eurozone, so weak consumption in Europe spells trouble in the States.

At the moment, a downturn in Europe is the last thing the U.S. needs. Growth is slow in America, and millions of people aren't working who'd like to be. The U.S. needs to be producing and exporting more, not less, and it's already hard enough for small businesses in the States to get credit from banks. The Great Recession technically ended in 2009, but for a lot of people -- [people in poverty](#), [people who can't afford food](#), [people working long hours for low wages](#) -- it feels like things are as bad as ever. A financial emergency in Europe, triggered by some event that sends investors running for cover, could take all of America's problems and make them bigger.

WHAT HAPPENS NEXT?

This is a fast-moving story, and by the time you read this, circumstances may have already changed. As of this writing, though, all of Europe is basically trying to do damage control. European Union authorities have put together [a funding package of 150 billion euro](#) for the International Monetary Fund to disperse to debt-stricken eurozone nations, and many countries are using inventive asset-juggling tricks to get capital into their banks [without officially bailing anyone out](#).

Earlier this month, eurozone authorities drew up a tentative proposal to enforce stricter consequences on countries that borrow beyond an agreed-upon limit. The deal would also require eurozone nations to balance their budgets, and aims to bring members of the currency bloc into greater sync from a fiscal standpoint.

EU leaders will meet again on January 30 to further discuss this deal. In the meantime, European governments are doing all they can to soothe investors -- a task made harder by ominous rumblings from credit rating agencies like Moody's, Fitch and Standard & Poor's, which have all downgraded or threatened to downgrade numerous countries and financial institutions in the eurozone and elsewhere. (You may remember Standard & Poor's from the fun downgrade debacle of this past summer, when that agency [lowered the United States' sovereign credit rating one notch](#) and caused markets to spaz out.)

At the moment, it's not clear whether any of the curative measures in the works will allow Europe to avoid a major financial downturn. Some onlookers are skeptical that the eurozone nations can reach a workable deal, since the countries have a poor track record of working together on financial matters. And things are likely to remain on a hair trigger even if a deal progresses, since bank-to-bank relationships rely on trust and credibility, and even the perception of a crisis could quickly become self-fulfilling.

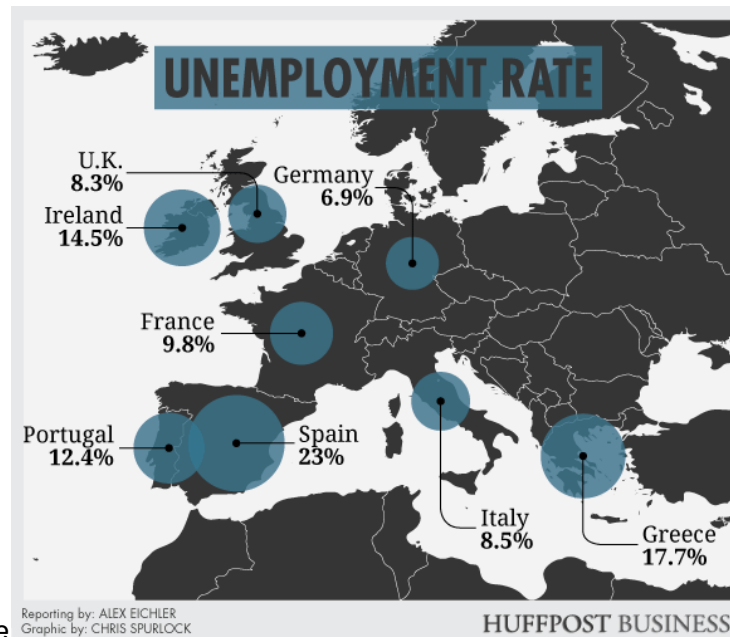
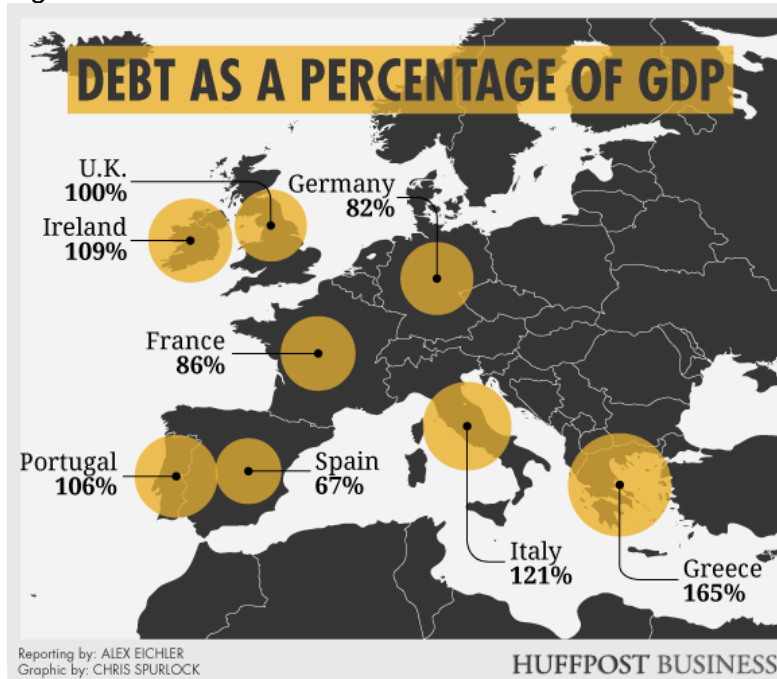
Meanwhile, as all this is going on, troubled eurozone countries are pledging to cut back government spending to show they can be trusted -- even though this results in [financial misery for the people in those countries](#), and will in all likelihood make it harder for Europe's economy to gain any momentum in the months to come.

Is there anything you can do about the situation in Europe? Not really -- except keep an eye on it. Disaster isn't a foregone conclusion at this point, but if things do go south on the Continent, the business

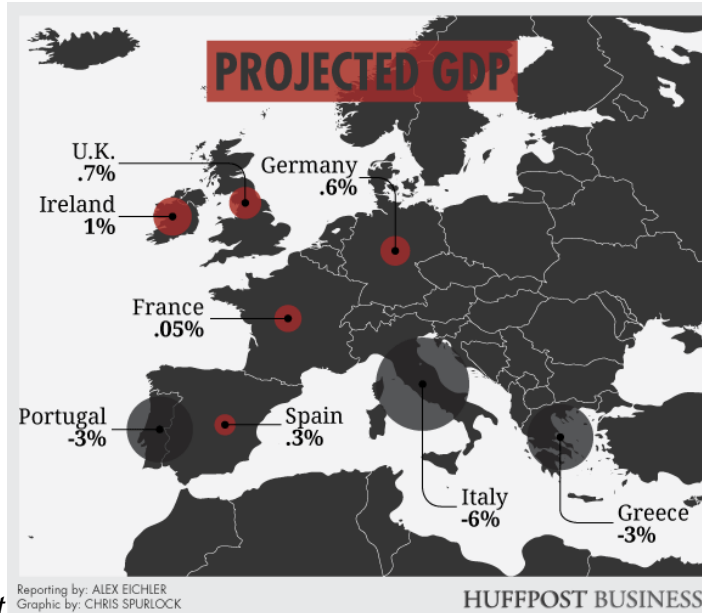
climate in America will likely get worse before it gets better. You'll want to be able to see that coming if it does.

Below are graphics featuring a country-by-country break down of some of the most important indicators of the crisis :

Debt As A Percentage Of GDP



The Unemployment Rate



Projected Gross Domestic Product

73. December 21, 2011

“ECB Lends \$641 Billion to European Banks” —Kim Hjelmgaard (MarketWatch)
(at <http://www.marketwatch.com/story/ecb-lends-641b-to-europe-banks-via-ltro-2011-12-21?dist=beforebell>)

(most of article)

LONDON (MarketWatch) — The European Central Bank on Wednesday attempted to send a strong signal to financial markets by offering to loan \$641 billion to 523 euro-area banks in a massive three-year funding operation.

The bank-funding move by the region’s central bank, known as a longer-term refinancing operation, or LTRO, is open to lenders across the euro zone. The figure came in well above a Reuters forecast for \$408 billion. The loans run for three years.

The loans expand the central bank’s balance sheet by 20%, according to Louise Cooper, analyst at BCG Partners.

A breakdown of which financial institutions were among the bidders for the funding was not immediately available.

A representative from the European Central Bank’s press office said that the central bank would not be releasing the names of the banks that applied for loans. Nor would it provide a breakdown of loans by euro-zone nation.

The LTRO operation was the first three-year funding operation undertaken by the central bank. The funds are borrowed at its average benchmark interest rate, which stands at 1%.

Ahead of the auction some media reports and analysts suggested that the drive to increase liquidity across the region was part of an effort to encourage banks to purchase government debt.

But Jonathan Loynes, chief European economist at Capital Economics, wrote in a note that banks in Europe's troubled economies "have generally been cutting their exposure to sovereign debt in recent months, even as shorter-term borrowing from the ECB has risen. What's more, reports suggest that some banks that did not need the funds were encouraged to use the facility anyway in order to reduce the stigma attached to it."

Even if "the funds do flow into peripheral government bonds, the amounts involved are not a substitute for the much bigger purchases, or guarantees, which markets have been hoping for from the ECB itself," Loynes added.

European markets leaped immediately following the results of the auction, but regional equity benchmarks turned negative as the day wore on. [Read more on ECB's move quickly discounted in European stocks.](#)

In fixed income, Spanish, Italian and French government-bond yields, lower initially, were on the rise again.

74. December 21, 2011

"Banks Gorge on ECB loans, market cheer short-lived"-- Reporting by Marc Jones, additional reporting Luca Trogni, Gabriella Bruschi, Stefano Bernabei, Steve Slater, Jesus Aguado and Jan Strupczewski, editing by Mike Peacock)
(at <http://www.reuters.com/article/2011/12/21/us-ecb-3yr-loans-idUSTRE7BK0MC20111221>)

(pgh 1, 3-8, 10-16, last paragraph)

Reuters) - Banks gobbled up nearly 490 billion euros in three-year cut-price loans from the European Central Bank on Wednesday, easing immediate fears of a credit crunch but leaving unresolved how much will flow to needy [euro zone](#) economies.

The near half a trillion euro take-up of ECB funds represented the most the bank has ever pumped into the financial system and exceeded almost all forecasts. A total of 523 banks borrowed with demand way above the 310 billion euros expected by traders polled by Reuters.

"The take-up was massive ... much higher than the expected 300 billion euros. Liquidity on the banking system has now increased considerably," said Annalisa Piazza at Newedge Strategy.

The funding should bolster banks' finances, ease the threat of a credit crunch and may tempt them to buy Italian and Spanish bonds, thereby easing the currency area's sovereign debt crisis.

But analysts said there was little prospect of the cash being hurled at the debt of euro zone weaklings and, while an interbank lending freeze may have been averted, the lack of trust between banks to lend to each other remains unresolved.

Optimism that the lunge for funding would ease Europe's two-year old debt crisis quickly faded, sending the euro and stocks lower after an initial jump.

Banks have struggled to attract funding mainly because of worries about the underlying health of euro zone countries and their exposure to it, so becoming more reliant on the ECB and pledging more assets against those loans may add to the problem.

"It's helpful. It's more than a sticking plaster, although it's by no means the solution longer term," said Chris Wheeler, bank analyst at Mediobanca in London.

While a lending crunch may have been avoided thanks to the ECB's latest move, it is much less certain that banks will use the money to buy Italian and Spanish government debt, as French President Nicolas Sarkozy has urged, given the competing pressures on them to cut risk, rebuild capital and lend to business.

"While this might help to address recent signs of renewed tensions in credit markets and support bank lending, we remain skeptical of the idea that the operation will ease the sovereign debt crisis too," said Jonathan Loynes, Chief European Economist at Capital Economics.

Banks will not increase their exposure to sovereign debt because European Bank Authority (EBA) rules discourage it, Italy's banking association (ABI) said.

"The EBA rules are a deterrent for buying sovereign bonds, so not even the ECB's important liquidity injection ... can be used to support sovereign debt," ABI director general Giovanni Sabatini told reporters.

Given those doubts, most market experts say only more aggressive and direct buying of government bonds by the ECB will help ameliorate the crisis, something it is reluctant to do.

Italy alone faces about 150 billion euros of debt refinancing between April and March and data on Wednesday showed its economy - the euro zone's third largest - shrank in the third quarter, while the ABI forecast a recession next year.

"The crisis is far from over. What I am particularly concerned about is the first quarter of 2012, because of financing needs which are very high," one senior euro zone policymaker told Reuters.

"The key question now is whether this net new liquidity addition of close to 200 billion euros will be used to purchase sovereign bonds, lend to the economy or pay maturing bonds," said RBS economist Nick Matthews.

75. December 21, 2011

"A Central Bank Doing What It Should" —Floyd Norris

(at <http://www.nytimes.com/2011/12/22/business/a-central-bank-doing-what-central-banks-do.html?pagewanted=1&r=2&hp>)

(pgh 6-8, 16-17, 18-22

That fact only became clear on Wednesday, although Mr. Draghi [announced his intentions](#) on Dec. 8, when the central bank said it would offer to lend money to banks for three-year terms, in unlimited amounts, at a very low rate.

In reality, it was an offer banks could not refuse. They will initially pay the central bank's official rate of 1 percent. But if the bank lowers the rate in coming months — as it is widely expected to do — the rate on these loans will drop as well.

There is no limit on what the banks can do with the money. But there is an obvious, virtually risk-free, option. A bank can buy short-term securities of its own government and pocket the difference — up to four or five percentage points — for the life of the securities.

There is no assurance that the banks will use all, or even most, of the money they borrowed, to buy government securities. It would be nice if some of it were lent to the private sector to spur growth and investment. But the logic of putting it in two- or three-year government notes is obvious.

Spanish two-year securities now yield about 3.6 percent, while Italian ones offer 5.1 percent. A bank that uses central bank money to buy them will clear the difference between those rates and 1 percent. The spread will be a little larger when the central bank lowers rates in a month or two. The securities will mature well before the loans come due.

What can go wrong for a bank that follows that course? The obvious one is that the governments default. But for a Spanish bank owning Spanish bonds, or an Italian one with bonds from its government, that is really not a risk worth worrying about. They would be dead whether or not they had bought more bonds.

Without this money, there was another risk: that the banks would lose access to financing before the securities matured. That risk is gone. At the same time the European Central Bank took steps to increase the assets it would take as collateral for loans. Now it will accept mortgage-backed securities that were rated single-A at issuance, which means they are probably junk now. And it has asked banks to come up with ways of measuring risks that the central bank can sign off on, in order to take more kinds of paper as collateral.

Theoretically, there is one other risk to banks that take the three-year loans and buy government bonds. The rate on the central bank loans would go up if it raised its base rate, while the yields on the securities bought would not increase. If the central bank raised its base rate sharply, the profits would decline or even vanish. That is not going to happen.

Instead, this move will help to recapitalize European banks over time. Assume a spread of 2.5 percentage points for the three years. On the money borrowed this week, that would produce 37 billion euros in profits for the banks. And there will be another chance for the banks to take down three-year loans in late February.

Thus it turns out that the December European summit meeting did yield something tangible and important.

76. December 21, 2011

"ECB's Risky Plan to Flood Banks With Cash—Stefan Kaiser
(at <http://www.spiegel.de/international/europe/0,1518,805135,00.html>)

(whole article)

The European Central Bank has launched the biggest lending operation in its history, and banks pounced on the offer on Wednesday, borrowing almost a half-billion euros for three years at a low interest rate. Governments hope the banks will use the cash to buy sovereign bonds, but critics warn the ECB's strategy is risky and could stoke inflation.

Central bankers tend to be diplomatic and cautious in their public statements, so the dramatic wording the European Central Bank (ECB) used this week to warn about an escalation of the euro crisis was indeed striking.

Tensions in the financial markets had "intensified to take on systemic crisis proportions not witnessed since the collapse of Lehman Brothers three years ago," the ECB warned in its latest report issued on Monday.

ECB President Mario Draghi told a committee of the European Parliament that Europe's banks faced major dangers in the coming months. "The pressure that bond markets will be experiencing is really very, very significant if not unprecedented," Draghi said.

It will be a tough year for banks. In 2012 overall they will have to pay back €725 billion (\$953 billion) in debt, of which €280 billion will fall due in the first quarter alone. They will have to borrow fresh money to service this debt, but it's almost impossible for them to raise that money in the private market. Most of them have large holdings of European government bonds on their balance sheets, so they don't have the mutual trust necessary to lend each other large sums of money.

"The interbank market is pretty shut," said Dieter Hein, a finance expert at Fairesearch, an independent research company for institutional investors, banks and brokers. "Virtually no one outside is lending any money to euro-zone banks any more."

ECB Becomes Banks' Lender of Last Resort

That's why the ECB has become the lender of last resort for many banks. Ever since the start of the 2008 financial crisis it has kept on supplying the banking sector with fresh cash, for up to one year in some cases. On Wednesday, it launched the biggest lending operation in its history, and banks responded by borrowing €489 billion in the ECB's first ever offering of three-year funding -- at an interest rate of just one percent initially.

This carte blanche for the financial sector has whetted the appetite of Europe's policymakers. French President Nicolas Sarkozy said weeks ago that cash-strapped countries could start turning to their banks for credit again if they had sufficient liquidity.

At first sight everyone gains. The banks could lend their cheaply obtained borrowed cash to governments at higher interest rates, and governments would at last be able to find buyers for their bonds again. The ECB might even be able to abandon its own controversial purchases of government bonds.

But critics are sounding the alarm. They say that by bailing out the banks, the ECB is financing governments through the back door. Bill Gross, head of the world's biggest bond investor Pimco, said Europe was simply shifting funds from one hand to the other.

Hugo Beck, economics professor at Pforzheim University in Germany, said the flood of money would eventually stoke inflation. "The ECB is hurling gigantic amounts of liquidity into the market," he said. "It can't control that, it's playing with fire."

Despite all the risks, the plan seems to be working in the short term. In recent days the risk premiums on high-debt euro member states have fallen significantly. Spain was able to borrow twice as much in the market as originally planned, and at relatively low interest rates. The banks are evidently buying bonds again in anticipation of receiving ample ECB assistance.

But the impact could prove short-lived. Experts believe that banks have recently been buying bonds mainly to use them as collateral for borrowing from the ECB. Once they get the central bank cash, the buying spree could quickly evaporate. After all, the financial sector still regards bonds issued by ailing euro-zone states as toxic for balance sheets.

76. December 21, 2011

"Fitch again warns U.S. debt burden threatens AAA rating"—Daniel Bases
(at <http://www.reuters.com/article/2011/12/21/us-usa-fitch-idUSTRE7BK1V720111221>)

(whole article)

Reuters) - Fitch Ratings on Wednesday warned again that the United States' rising debt burden was not consistent with maintaining the country's top AAA credit rating, but said there would likely be no decision on whether to cut the rating before 2013.

Last month, Fitch changed its U.S. credit rating outlook to negative from stable, citing the failure of a special congressional committee to agree on at least \$1.2 trillion in deficit-reduction measures.

"Federal debt will rise in the absence of expenditure and tax reforms that would address the challenges of rising health and social security spending as the population ages," Fitch said in a statement.

"The high and rising federal and general government debt burden is not consistent with the U.S. retaining its 'AAA' status despite its other fundamental sovereign credit strengths," the ratings agency said.

In a new fiscal projection, Fitch said at least \$3.5 trillion of additional deficit reduction measures will be required to stabilize the federal debt held by the public at around 90 percent of gross domestic product in the latter half of the current decade.

Fitch, when it lowered its outlook to negative, had said it was giving the U.S. government until 2013 to come up with a "credible plan" to tackle its ballooning budget deficit or risk a downgrade from the AAA status.

"A key task of an incoming Congress and administration in 2013 is to formulate a credible plan to reduce the budget deficit and stabilize the federal debt burden. Without such a strategy, the sovereign rating will likely be lowered by the end of 2013," Fitch reiterated.

Rival ratings agency Standard & Poor's cut its credit rating on the United States to AA-plus from AAA on August 5, citing concerns over the government's budget deficit and rising debt burden as well as the political gridlock that nearly led to a default.

On November 23, Moody's Investors Service, warned that its top level Aaa credit rating for the United States could be in jeopardy if lawmakers were to backtrack on \$1.2 trillion in automatic deficit cuts that are set to be made over 10 years.

The plan for automatic cuts was triggered after the special congressional committee failed to reach an agreement on deficit reduction. Moody's said any pullback from the agreed automatic cuts to take effect starting in 2013 could prompt it to take action.

77. December 22, 2011

"Italy passes \$40 billion austerity plan" (Senators in Italy pass plan for budget)—Rachel Donadio (Gaia Pianigiani contributed reporting)

(at http://www.nytimes.com/2011/12/23/world/europe/italy-passes-40-billion-austerity-plan.html?_r=2&hp)

(whole article)

ROME — [Italy](#)'s Senate voted overwhelmingly to give final approval on Thursday to a \$40 billion austerity and growth package aimed at eliminating Italy's budget deficit by 2013 and stimulating the economy as part of a broader plan to stabilize the euro.

Although it has a parliamentary majority, the month-old technocratic government of Prime Minister Mario Monti called a confidence vote on the measures to avoid having to address modifications proposed by the Northern League, once a pillar of former Prime Minister Silvio Berlusconi's center-right coalition and now the loudest opposition party.

The measures — which have grown increasingly unpopular as the reality sets in for Italians — reinstate a property tax on first homes, among other tax increases; raise the retirement age to 66 for men and 62

for women by 2012; and raise the ceiling for cash transactions to \$1,300, among other measures to crack down on tax evasion.

The government has said that it tried to spread the pain among all segments of society and not just hit what many call “the usual suspects” — taxpaying salaried employees who often take the brunt of tax increases because tax evasion among nonsalaried workers is so high.

Mr. Monti — a former European commissioner and university president who must work with a Parliament whose largest bloc, the center-right, is eager for early elections to solidify its political standing — has said that the bywords of his government are “equity,” “rigor” and “growth.”

To stimulate growth — which remained flat at 0.3 percent in Italy over the past decade — the measures also provide tax incentives for businesses that hire women and people under 35 on permanent contracts. Business groups have called for even more sweeteners to prevent the economy from contracting further.

In a speech just before the vote, Mr. Monti underlined the need to orient European economic policies more toward growth, rather than just concentrating on fiscal discipline. Calling the measures a “proof of collective discipline,” Mr. Monti said that the package enabled Italy to hold its head high as it faces the undeniably serious European crisis.

Although Mr. Monti still enjoys broad political and popular support, the measures have become increasingly unpopular in a growing climate of economic uncertainty, in a country that is already in recession, and where salaries have remained flat in recent years.

“I know that we all have to cooperate and that the measures were needed, but my feeling is that they always turn to the same people, like pensioners or those with low salaries,” said Maurizio Capecci, an unemployed 57-year-old who sells lottery tickets during the Christmas season in downtown Rome. “I think the government should have introduced a wealth tax. Why can’t those who have more give more, but for real?”

A strike called by labor unions shut down national transportation last week, and more strikes are anticipated in the coming months to protest changes in pension rules and labor contracts. Mr. Monti’s government has said that it is planning to tackle labor reform — long a third rail in Italian politics — in the new year.

78. December 25, 2011

“IMF’s Lagarde warns global economy threatened”-- Reporting by Alexandria Sage; Editing by Alistair Lyon

(at <http://www.reuters.com/article/2011/12/25/us-france-imf-idUSTRE7BO07120111225>)

(whole article)

(Reuters) - The head of the International Monetary Fund said the world economy was in danger and urged Europeans to speak with one voice on a debt crisis that has rattled the global financial system.

In Nigeria last week, IMF Christine Lagarde said the IMF's 4 percent growth forecast for the world economy in 2012 could be revised downward, but gave no new figure.

"The world economy is in a dangerous situation," she told France's Journal du Dimanche in an interview published on Sunday.

The debt crisis, which continues into 2012 after a European Union summit on December 9 only temporarily calmed markets, "is a crisis of confidence in public debt and in the solidity of the financial system," she said.

European leaders drafted a new treaty for deeper economic integration in the euro zone, but it is not certain that the accord will stem the debt crisis, which began in Greece in 2009, and now threatens [France](#) and even economic powerhouse Germany.

"The December 9 summit wasn't detailed enough on financial terms and too complicated on fundamental principles," said Lagarde.

"It would be useful for Europeans to speak with a single voice and announce a simple and detailed timetable," she said. "Investors are waiting for it. Grand principles don't impress."

Part of the problem, she said, has been national calls for protectionism, making it "difficult to put in place international coalition strategies against it."

Lagarde added: "National parliaments grumble at using public money or the guarantee of their state to support other countries. Protectionism is in the debate, and everyone for themselves is winning ground."

She did not specify which countries she was referring to.

Emerging countries, which had been growth engines for the world economy before the crisis, have also been affected, said Lagarde, citing China, [Brazil](#) and Russia.

"These countries, which were the engines, will suffer from instability factors," she told the newspaper.

79. December 26, 2011

"Currency agreement for Japan and China"—Edward Wong and Natasha Singer (and Hiroko Tabuchi) (at <http://www.nytimes.com/2011/12/27/business/global/china-and-japan-in-currency-agreement.html>)

(whole article)

BEIJING — China and Japan have agreed to start direct trading of their currencies, officials announced during a visit here on Monday by Japan's prime minister, Yoshihiko Noda.

Japan will also apply to buy Chinese bonds next year, allowing it to accumulate more renminbi in its foreign-exchange reserves. The moves were among several that emerged from Mr. Noda's meetings with President Hu Jintao, which focused on how the two nations could work together to maintain peace on the Korean peninsula.

China is the world's second-largest economy while Japan is the third largest, and the currency agreement is part of a move away from using dollars. Chinese officials have said recently they would like to broaden the global use of [the renminbi](#), also known as the yuan, and want to see more countries move away from relying on dollars as the worldwide currency.

They hold the world's largest foreign-currency reserves — China has about \$3.2 trillion, while Japan holds \$1.3 trillion — and any moves to reconstitute the makeup of those holdings could change the global currency map.

"Chinese officials have made it clear that they believe the international economy is too heavily dominated by [the dollar](#)," said Charles A. Kupchan, a professor of international affairs at Georgetown University and a senior fellow at the Council on Foreign Relations. "They believe, as part of China's rise, that the international system should move to a more balanced structure."

Because the renminbi is not fully convertible, however, it will not compete soon as a global reserve currency, he said. Still, the agreement "could be a baby step in that direction," Professor Kupchan said. Experts in global trade said China and Japan had both practical and political motives for the pact.

Neither side has announced a timetable, agreeing only that officials will discuss possible measures. Given the proximity of China and Japan, along with the likelihood that the two countries will serve as each other's biggest trading partners over the next century, it makes sense for them to trade directly without using dollars, said Jeffrey H. Bergstrand, a professor of finance at Mendoza College of Business at the University of Notre Dame.

And the more China loosens its grip on the renminbi, helping to correct what by some measures is a currency undervalued by almost 40 percent against the dollar and 45 percent against [the yen](#), the greater its purchasing power will become, allowing it to import more. This is especially important for Japan, which has been reeling as the dollar has weakened, making American consumers unable to spend as much on Japanese electronics and cars as they used to.

From a practical standpoint, both China and Japan want to reduce the transaction costs of direct bilateral trade and the risks of volatility in exchange rates, said Professor Kupchan.

"With markets looking askance at both [the euro](#) and the U.S. dollar, investors in both China and Japan would find it attractive to trade directly," Professor Kupchan said. On a more political level, he said, the pact also represents an important step in improving bilateral ties between Beijing and Tokyo.

As for the long-term ramifications for the United States, analysts said it was difficult to predict before the pact took effect.

In the shorter term, the agreement is likely to lead to continued weakening of the dollar against the renminbi, Professor Bergstrand said. That should help the United States trade deficit with China, he said,

increasing American imports while weakening imports from China. On the other hand, he said, the Sino-Japanese currency agreement is likely to diminish the dominance of the dollar in global trade.

“The Chinese yuan will increasingly play an important role in Asia,” he said. “It does mean that the U.S. dollar will be less important as a currency for transactions in Pacific rim trade.”

Professor Bergstrand compared the role of the dollar on the world stage now to the waning of the [British pound](#) 100 years ago as the most prominent currency for international transactions.

For more than a decade, critics have said the government has kept the value of its currency artificially low, giving Chinese exporters an unfair advantage over American counterparts by making Chinese goods cheaper overseas. Washington has pushed for a revaluation. Beginning in June 2010, facing increased inflation, China began to let its currency float gradually up.

Professor Kupchan of Georgetown said the currency pact is more symbolic than significant right now for the United States. “This pact hardly unseats the dollar as the world’s dominant currency,” he said. “But it is a clear sign that China is headed in the direction of internationalizing the renminbi.”

80. December 27, 2011

“Banks Bunker Hundreds of Billions in Deposits at ECB”—Spiegel Online International (at <http://www.spiegel.de/international/business/0,1518,805940,00.html>)

(whole article)

Just before Christmas, the European Central Bank flooded the financial markets with 500 billion euros -- a move that may not ultimately have the desired effect of stabilizing banks. Instead of passing that money on in loans to businesses to spur the economy, European banks have redeposited the money with the ECB at low interest rates.

The sum of overnight deposits at the [European Central Bank](#) (ECB) is often considered to be an indicator of the level of fear brewing within the financial sector. The greater the degree of distrust between banks, the more money banks tend to deposit on a daily basis with the ECB, where interest rates are low, but deposits more secure. This week has seen the level of deposits at the ECB's overnight facility rise to close to €412 billion (\$538.4 billion) -- the greatest amount seen since the euro's introduction, and representing a single overnight increase on Monday of €65 billion.

The previous record had been reached in the summer of 2010, when banks parked around €385 billion at the ECB.

Normally banks tend to lend any excess funds to each other. By doing so, they can make more money -- especially given that interest rates at banks are currently twice as high as those offered by the ECB. But the interbank market has been disrupted for weeks now, prompting concerns that the credit crunch last seen after the collapse of Lehman Brothers has returned. European banks no longer trust each other because it is unclear to what extent individual banks are exposed to government bonds from countries hit by the debt crisis, and whether those institutions are in jeopardy. Instead, they are turning to the ECB as a safe haven for their money.

Did ECB's Action Backfire?

In an attempt to jumpstart the interbank market last week, the ECB released nearly [€500 billion in liquidity](#) to banks within the euro zone. The custodians of the euro had hoped to strengthen the financial situation of the currency zone's banks with the action. They also hoped that the financial institutions would pass the additional money on to businesses in the form of loans in order to help spur the economy. But instead it appears that a large share of that money has now been parked overnight at the ECB.

Shortly before Christmas, positive economic data from the euro zone and the United States had awakened hope that a recession feared for 2012 might be weaker than some had thought. But the chief economist at Germany's Deutsche Bank, Thomas Mayer, said in an interview this weekend that the fate of the euro would be pegged to developments in Italy.

In an interview with the *Frankfurter Allgemeine Sonntagszeitung* newspaper, Mayer said the currency's survival would be contingent on Rome. Mayer said he expected Italy to fall into a deep state of recession at the beginning of 2012. "If the country succeeds in pulling itself out of it prior to elections in May 2013, and I expect it to, then Italy will be able to serve as a model for all southern European countries. Otherwise the euro zone will break up," he said.

Mayer is far from alone in this assessment, and this week many market traders are attentively observing what happens with a planned €20 billion auction of Italian government bonds. During other recent auctions, Italy has had to pay high interest rates for credit. Some market observers are speculating that banks may use some of the cheap ECB money in order to purchase Italian and Spanish government bonds, thus causing interest rates on those sovereign bonds to fall.

81. December 27, 2011

"Restoring European Growth"—Jim Keitner, Nuno Monteiro, and Ian Shapiro
(at <http://www.project-syndicate.org/commentary/leitner1/English>)

(whole article)

NEW YORK – Europe's sovereign-debt crisis has rumbled on for so long that some people are beginning to take it for granted that eurozone leaders can continue to stumble from one non-solution to the next without risk of cataclysm. But if any troubled southern European economy fails to roll over its debt in the coming months, the resulting contagion will spread quickly from the eurozone throughout the global financial system, with consequences far more grave than what followed Lehman Brothers' collapse in September 2008.

Despite the new agreement reached at the European Union's summit in December, strengthening financial markets' confidence in the eurozone remains an elusive goal. In the aftermath of the summit, the euro's exchange rate sank to its lowest level of the year (around \$1.30), while yields on Italian five-year bonds hit a new high (almost 6.5%). In France, Socialist presidential candidate François Hollande flatly declared that the latest agreement "is not the right answer," because "without economic growth we will achieve none of the targets on deficit reduction."

Hollande was right. Since the crisis erupted in Greece almost two years ago, EU leaders have failed to propose a solution that balances austerity with economic growth. Whenever the markets signal skepticism about the euro's viability, European leaders rush to restore confidence through austerity measures, while ignoring the underlying need to reestablish the conditions for growth. The urgent crowds out the merely important. But, without growth, the EU's long-term prospects are grim.

Since the crisis began, the need for economic growth in Europe's debt-distressed countries has been portrayed as their problem. For creditors, especially German lenders, the main priority has been to impose austerity and discipline on the eurozone's profligate south. Because German banks hold much of the debt owed by peripheral banks and governments, officials have focused on this financial link between Germany's economy and those of troubled eurozone members. But German Chancellor Angela Merkel's understandable desire to discipline the spendthrifts entails sawing away at the last remaining branch on which Germany's bankers and taxpayers are perched.

Merkel's strategy ignores a second link between Germany and the eurozone's highly indebted countries. A large share of German exports (as well as those of other healthy eurozone economies) go to eurozone markets – including those in the troubled south.

Until the crisis hit, Germany benefited immensely from the stable environment created by the eurozone. Peripheral eurozone countries ran large current-account deficits, which subsidized German growth. If these markets now contract – and austerity has thus far led to severe recessions in Greece and Ireland, with Portugal expected to follow next year – so will the German economy. The highly indebted southern countries are far from being the sole stakeholders in their own economic growth.

Any viable strategy to resolve the crisis must address both links between core and peripheral economies. This means finding the right policy mix between austerity and growth. Only a solution that balances the two will guarantee the long-term growth of both peripheral and core eurozone economies, reassuring debt markets of their solvency and stemming the contagion that threatens to sweep the continent. The agreement reached at the recent EU summit to institutionalize austerity needs to be supplemented by a growth policy.

This requires a two-pronged approach. First, highly indebted countries should be allowed to swap existing debt for new bonds issued at a heavy discount. The discount is essential for reducing sovereign debt in the periphery to manageable levels and lowering immediate debt payments, thereby freeing resources for the investment and consumption that make growth possible.

But if creditors must share in the downside of the current crisis, they should also share in the future economic growth of peripheral eurozone economies. This requires a second step: linking the new bonds to warrants tied to debtor countries' GDP growth. Converting existing sovereign debt into new bonds attached to GDP warrants would work like a debt/equity swap in a corporate bankruptcy. It would guarantee that creditors share in the upside of the reforms that the eurozone must implement to guarantee its own viability.

There is a precedent for this. Following its debt default in 2002, Argentina successfully implemented a similar program. In exchange for a reduction of its existing debt, the Argentinean government issued new bonds linked to GDP warrants and committed 5% of future annual GDP growth above 3.3% to a pool shared among creditors.

These Argentinean GDP warrants soon became tradable separately from the bonds to which they were initially linked, allowing their holders to cash in. Once growth resumed in Argentina, its GDP warrants became some of the best investments in the developing world, generating a total return of more than 500% over the last five years.

Without economic growth, there will be no lasting solution to the eurozone crisis. For the troubled economies to revive, the recent agreements on austerity must be supplemented by significant debt haircuts. Such haircuts, however, are hard to sell to the German electorate. GDP warrants would be a good way to close the deal.

82. December 27, 2011

Iran threatens to stop Gulf oil if sanctions widened” —Ramin Mostafavi (Additional reporting by Parisa Hafezi in Tehran, Dmitry Zhdannikov in London, Robert Gibbons and Janet McGurty in New York, Amena Bakr in Dubai, Andrew Quinn in Washington; Writing by Mark Heinrich; Editing by Jon Boyle and Alison Williams)
(at <http://www.reuters.com/article/2011/12/27/us-iran-oil-hormuz-idUSTRE7BQ0I320111227>)

(whole article)

(Reuters) - [Iran](#) threatened on Tuesday to stop the flow of oil through the Strait of Hormuz if foreign sanctions were imposed on its crude exports over its nuclear ambitions, a move that could trigger military conflict with economies dependent on Gulf oil.

Western tensions with Iran have increased since a November 8 report by the U.N. nuclear watchdog saying Tehran appears to have worked on designing an atomic bomb and may still be pursuing research to that end. Iran strongly denies this and says it is developing nuclear energy for peaceful purposes. Iran has defiantly expanded nuclear activity despite four rounds of U.N. sanctions meted out since 2006 over its refusal to suspend sensitive uranium enrichment and open up to U.N. nuclear inspectors and investigators.

Many diplomats and analysts believe only sanctions targeting Iran's lifeblood oil sector might be painful enough to make it change course, but Russia and [China](#) - big trade partners of Tehran - have blocked such a move at the United Nations.

Iran's warning on Tuesday came three weeks after EU foreign ministers decided to tighten sanctions over the U.N. watchdog report and laid out plans for a possible embargo of oil from the world's No. 5 crude exporter.

"If they (the West) impose sanctions on Iran's oil exports, then even one drop of oil cannot flow from the Strait of Hormuz," the official Iranian news agency IRNA quoted Iran's First Vice President Mohammad Reza Rahimi as saying.

The U.S. State Department said it saw "an element of bluster" in the threat but underscored that the United States would support the free flow of oil.

"It's another attempt to distract attention away from the real issue, which is their continued non-compliance with their international nuclear obligations," spokesman Mark Toner said.

Rahimi's remarks coincided with a 10-day Iranian naval exercise in the Strait and nearby waters, a show of military force that began on Saturday.

"Our enemies will give up on their plots against Iran only if we give them a firm and strong lesson," Rahimi said.

JANUARY MEETING

Countries in the 27-member European Union take 450,000 barrels per day of Iranian oil, about 18 percent of the Islamic Republic's exports, much of which go to China and India. EU officials declined to comment on Tuesday.

About a third of all sea-borne oil was shipped through the Strait of Hormuz in 2009, according to the U.S. Energy Information Administration (EIA), and U.S. warships patrol the area to ensure safe passage. Most of the crude exported from Saudi Arabia, Iran, the United Arab Emirates, Kuwait and Iraq - together with nearly all the liquefied natural gas from lead exporter Qatar - must slip through the Strait of Hormuz, a 4-mile wide shipping channel between Oman and Iran.

Iran has also hinted it could hit Israel and U.S. interests in the Gulf in response to any military strike on its nuclear installations - a last resort option hinted at by Washington and the Jewish state.

However, some analysts say Iran would think hard about sealing off the Strait since it could suffer just as much economically as Western crude importers, and could kindle war with militarily superior big powers.

"To me, if Iran did that it would be a suicidal act by the regime. Even its friends would be its enemies," said Phil Flynn, analyst at PFG Best Research in Chicago.

SAUDI REPLACEMENT?

Industry sources said on Tuesday No. 1 oil exporter Saudi Arabia and other Gulf OPEC states were ready to replace Iranian oil if further sanctions halt Iranian crude exports to Europe.

Iranian Oil Minister Rostam Qasemi had said that Saudi Arabia had promised not to replace Iranian crude if sanctions were imposed.

"No promise was made to Iran, it's very unlikely that Saudi Arabia would not fill a demand gap if sanctions are placed," an industry source familiar with the matter said.

Gulf delegates from the Organization of the Petroleum Exporting Countries (OPEC) said an Iranian threat to close the Strait of Hormuz would harm Tehran as well as the major regional producers that also use the world's most vital oil export channel.

Oil prices spiked on Tuesday, fuelled by fears of supply disruptions and Iranian naval exercises in a crucial oil shipping route, with gains capped by simmering [euro zone](#) debt concerns.

Brent crude oil [futures](#) jumped more than a dollar to over \$109 a barrel after the Iranian threat, but a Gulf OPEC delegate said the effect could be temporary. "For now, any move in the oil price is short-term, as I don't see Iran actually going ahead with the threat," the delegate told Reuters.

The industry source said that in the case of EU sanctions, Iran would most likely export more of its crude to Asia, while Gulf states would divert their exports to Europe to fill the gap until the market is balanced again.

A prominent analyst said that if Iran did manage to shut down the Strait of Hormuz, the ensuing spike in oil prices could wreck the global economy, so the United States was likely to intervene to foil such a blockade in the first place.

"First, the U.S. will probably not allow Iran to close the Strait. That's a major economic thoroughfare and not just for oil. You shut that Strait and we are talking a major hit on many Middle East economies," said Carl Larry, president of Oil Outlooks in New York.

"Second, there is no way that the Saudis (alone) have enough oil or quality of oil to replace Iranian crude. Figure Saudi spare capacity is 2 to 4 million at best. Of that spare, about 1-2 million is real oil that is comparable out of Iran. Lose Iran, lose 3.5 million barrels per day of imports. No way."

French President Nicolas Sarkozy proposed hitting Iran with an oil embargo and won support from Britain, but resistance to the idea persists within and outside the European Union.

An import ban might raise global oil prices during hard economic times and debt-strapped [Greece](#) has been relying on attractively financed Iranian oil.

Iran's seaborne trade is already suffering from existing trade sanctions, with shipping companies scaling down or pulling out as the Islamic Republic faces more hurdles in transporting its oil.

83. December 28, 2011

"New Greek Government Runs Out of Steam"—Ferry Batzoglou
(at <http://www.spiegel.de/international/europe/0,1518,805975,00.html>)

(pgh 1, 5-15, 17)

Six weeks after forming a transitional government to overcome its crisis, Greece is still failing to deliver its promised reforms. The cabinet of Prime Minister Lucas Papademos is deeply divided and has lost the public's confidence. Even the most urgent measures have ground to a halt.

To its credit, the Papademos government mastered two important challenges early on: it secured the payout of the sixth international loan tranche of more than €8 billion (\$10.45 billion) from the €110 billion European Union and International Monetary Fund bailout package agreed in May 2010. And the parliament has passed the state budget for 2012.

But since then, Athens has failed to deliver on the binding reforms and spending cuts it had pledged in return for the cash. The top priority is the exchange of Greek government debt agreed at the EU summit

on Oct 27. Under the deal, private creditors will voluntarily write down 50 percent of their loans. But under the terms of the summit agreement, the Greek government must reach an agreement with creditors before the end of 2011 so that the bonds can be swapped for new securities at the start of 2012. It is clear that Greece won't make that deadline. "The negotiations have run into major difficulties, we are working day and night to find a solution," Venizelos admitted.

The sticking points appear to be the levels of interest rates that Greece will have to pay for new bonds and the size of the voluntary debt cut. Even if an agreement is reached, there is doubt about whether all private creditors will stick to it. Spanish hedge fund Vega, for example, has already pulled out of the talks and threatened legal action if the losses amount to more than 50 percent. If the debt swap fails, the entire 2012 budget will be null and void because it depends on drastically reduced interest payments on Greece's government debt.

Reforms Have Ground to a Halt

The October EU summit also promised Greece an urgently needed further megaloan totalling €130 billion -- but only if the country meets strict conditions that amount to political dynamite. The reforms undertaken so far in return for the 2010 aid package were so unpopular that the country is at the breaking point. Indeed, further pain will be unavoidable. Despite all the cuts this year, the government has to close an additional budget hole of €3.3 billion due to the unexpectedly severe recession.

The extent to which Greece's reform drive has slowed under Papademos can be seen in many areas:

- The privatization program has completely ground to a halt. The plan was to sell off €50 billion of government-owned assets by 2015, but so far only €1.7 billion has been raised. Why? Because the government first wanted to implement the debt swap.
- Labor markets have yet to be freed up and deregulated.
- The program of public sector layoffs is a fiasco. Instead of the planned 30,000 job cuts, only around 1,000 workers have been transferred to a so-called labor reserve by the end of 2011.
- The merging or winding down of public authorities is proceeding at a snail's pace.
- The modernization of the civil service and of the inefficient health service is plagued by delays.
- The planned third round of pension cuts has come to a stop. Additional pensions are to be cut by between 15 and 40 percent -- but the New Democracy party in particular is blocking the process.

The transitional government started out with a lot of goodwill from the Greek public, but it has lost that trust in record time. When it was formed, some 48 percent of Greeks said they had confidence in the government -- but only 26 percent still do today. And the proportion of Greeks who distrust Papademos has surged to 65 percent from 38 percent. Almost four out of five Greeks now think their country is heading in the wrong direction.

84. December 29, 2011

"Italy seeks bigger euro fund after tough debt sale"—Valentina Za and Steve Scherer Additional reporting by Gavin Jones; writing by James Mackenzie; Editing by Ruth Pitchford)
(at <http://www.reuters.com/article/2011/12/29/us-italy-bonds-auction-idUSTRE7BS08Q20111229>)

(whole article)

(Reuters) - Italian Prime Minister Mario Monti sought reinforcement for the euro zone's bailout fund and pledged new efforts to boost the economy after a disappointing bond auction on Thursday underlined the threat to the country's shaky public finances.

Investors demanded a yield of nearly 7 percent on 10-year paper at the auction of medium- and long-term bonds, down from the record highs seen last month but still unsustainable given the 450 billion euros (\$580 billion) that Italy needs to raise through debt issuance in 2012.

An unprecedented European Central Bank injection last week of nearly half a trillion euros of cheap funding for banks eased pressure at a short-term Italian debt auction on Wednesday, but longer-dated bonds still pose a challenge.

Monti put a brave face on the auction result, which analysts described as "slightly positive" or "average" at best.

"Auctions held yesterday and today went rather well, this is encouraging but the financial turbulence absolutely isn't over," Monti said during a traditional end-year press conference.

Italy, the euro zone's third largest economy, remains at the centre of the debt crisis that began in [Greece](#) two years ago and its borrowing needs could overwhelm the bloc's financial defenses if it were forced to seek an international bailout.

"A lot of work remains to be done but from this point on, this work has to be done in Europe above all," Monti said.

He said the European Financial Stability Facility, the bailout fund set up by [euro zone](#) governments, needs "significantly greater" resources but refused to quantify how much more was required.

Monti promised to outline a first package of growth measures to European partners next month and said the emphasis would be on liberalizing the economy, boosting competition and overhauling the jobs market, though he did not give details.

The measures will follow a 33 billion euro package of cuts and tax hikes aimed at balancing the budget by 2013 which was passed by parliament last week but which has been criticized for weighing too heavily on Italy's already sickly growth prospects.

Monti said he was aware that the austerity package had "many disadvantages" but said budget discipline was needed to restore confidence in Italy's public finances. However he added that European policy had to focus increasingly on growth.

"All mechanisms for making the application of this discipline more secure is welcome, provided it is integrated into a comprehensive European economic policy which has more resources to get the euro zone out of its current difficulties and above all promotes growth more," he said.

RECESSION

Italy's chronically weak economy over the past two decades has been one of the main factors in creating a debt burden that now amounts to around 120 percent of gross domestic product, second only to Greece in the euro zone.

Rigid labor rules - which give some workers iron-clad guarantees while forcing increasing numbers of young people to accept short term jobs with few prospects - an inefficient public sector, low productivity and choking red tape have long weighed on the economy.

Italy is widely considered to be heading for a severe recession next year and data on Thursday showed business confidence at its lowest for two years, with orders falling and the production outlook worsening.

Although he offered no firm timetable, Monti said the government would move quickly under pressure both from international partners and the bond markets.

"The timetable will be rapid. We aren't being permitted to work calmly," he said.

Underlining the pressure he faces, yields on 10-year bonds remained locked above 7 percent on the secondary market on Thursday, near the levels which forced Greece, [Ireland](#) and Portugal to seek an international bailout.

Italy sold 7 billion euros (\$9 billion) of bonds at auction in thin holiday markets, just above the mid-point of its target range, but the yield on benchmark 10 year BTPs was 6.98 percent, not far from a euro lifetime record of 7.56 percent a month ago.

"Buying 10-year Italian bonds is a leap of faith which investors are prepared to take only at very high interest rates," said Nicholas Spiro of Spiro Sovereign Strategy. "There are simply too many risks and uncertainties surrounding Italy."

Its 3-year bonds sold more easily and their yield fell more than two percentage points at auction to 5.62 percent -- far below the euro era record of 7.89 percent that Italy paid to sell the same bond at the end of November. (\$1 = 0.7724 euros)

85. December 29, 2011

"Europe's Banks Face Pressure on Collateral"—David Enrich and Sara Schaerer Munoz

(at

http://online.wsj.com/article/SB10001424052970203899504577126430202451796.html?mod=WSJ_hp_LEFTTopStories)

(pgh 1-3)

LONDON—Even after the European Central Bank doled out nearly half a trillion euros of loans to cash-strapped banks last week, fears about potential financial problems are still stalking the sector. One big reason: concerns about collateral.

The only way European banks can now convince anyone—institutional investors, fellow banks or the ECB—to lend them money is if they pledge high-quality assets as collateral.

Now some regulators and bankers are becoming nervous that some lenders' supplies of such assets, which include European government bonds and investment-grade non-government debt, are running low.

86. December 29, 2011

“U.S. Saudi fighter jet sale to help offset Iran”—Jim Wolf (Additional reporting by Laura MacInnis in Honolulu and Andrew Quinn and Toby Zakaria in Washington, Kyle Peterson in Chicago; Editing by Peter Cooney)

(at <http://www.reuters.com/article/2011/12/29/us-usa-arms-saudi-arabia-idUSTRE7BS0LJ20111229>)

(whole article)

(Reuters) - The United States has signed a \$29.4 billion deal to sell 84 new F-15 fighter jets to Saudi Arabia in a long-expected move that the Obama administration said on Thursday would boost Gulf security amid mounting tension with Iran.

The deal is the single priciest U.S. arms sale to a foreign country, dwarfing previous multibillion-dollar sales to Saudi Arabia, for years the biggest U.S. arms buyer.

The sale includes the 84 advanced Boeing ([BA.N](#)) F-15SA fighters with cutting-edge Raytheon Co ([RTN.N](#)) radar equipment and digital electronic warfare systems for which BAE Systems Plc ([BAES.L](#)) is the key supplier.

Also included are upgrades that will bring Saudi Arabia's 70 older F-15s up to the new standard, as well as HARM AGM-88 Anti-Radiation Missiles, Laser JDAM and Enhanced Paveway munitions and related equipment and services.

The deal was formally sealed by Saudi Arabia last Saturday, days before Iran repeated threats to close the Strait of Hormuz in response to mounting U.S. and European economic sanctions over its disputed nuclear program.

Administration officials described the advanced F-15s as designed to bolster overall Saudi defenses in an uncertain region.

"In the Middle East right now, there's a number of threats," Andrew Shapiro, assistant U.S. secretary of state for political-military affairs, told a news briefing. "Clearly one of the threats that they face, as well as other countries in the region, is Iran," he said.

But the sale was "not solely directed" toward Iran, Shapiro said. "This is directed toward meeting our partner Saudi Arabia's defense needs," he said.

The United States has long identified Iran as a major threat, partly for suspicion that its nuclear power program is a cover for weapons building, a charge that Tehran denies.

Saudi Arabia, a key oil supplier, also is suspicious of Iranian regional ambitions.

DELIVERIES TO START IN 2015

The Obama administration in October 2010 notified Congress of the proposed F-15 sale as part of a potential package valued at up to \$60 billion over 10 to 15 years, including Boeing Apache AH-64 attack helicopters, munitions, spare parts, training, maintenance and logistics.

The first new F-15s are expected to be delivered to Saudi Arabia in early 2015, an administration release said

The head of Boeing's military business, Dennis Muilenburg, told Reuters the deliveries would take about five years to complete, extending the F-15 production line toward the end of this decade. The first modified Saudi F-15s are expected to enter overhaul in mid-to-late 2014.

Saudi Arabia was the biggest buyer of U.S. arms from January 1, 2007 through the end of 2010, with signed agreements totaling \$13.8 billion, followed by the United Arab Emirates, with \$10.4 billion, according to a December 15 Congressional Research Service report.

The announcement the F-15 deal had been clinched came as President Barack Obama swings more into campaign mode for a bid for a second term in November 2012, a campaign likely to be fought over the U.S. economy and job growth.

A White House spokesman said the deal would give the U.S. economy a \$3.5 billion annual boost and bolster exports and jobs. Boeing will work with about 600 suppliers in 44 states.

The Saudi buildup, part of a wider U.S. arming of its regional friends and allies, could eventually help offset the departure this month of the last U.S. combat troops in Iraq.

U.S. arms sales to Saudi Arabia often raise concern in Israel, but Shapiro said the Obama administration believed the new advanced warplanes would do nothing to curtail the Jewish state's comparative military advantage in the region.

The Saudi arms package was controversial when it was sent to Congress last year, due chiefly to concerns over maintaining Israel's edge. A total of 198 members of Congress wrote to the Obama administration in November 2010 to raise concerns about the sale. The so-called Arab Spring political upheaval in the Middle East this year also may have slowed negotiations.

Muilenburg said separate deals had been signed since the package cleared Congress last year to provide Saudi Arabia an initial 36 of 70 planned Apache AH-64D Longbow attack helicopters.

The full total of F-15s, Apaches and 36 AH-6i helicopters, if purchased as planned, would yield Boeing and its industry partners about \$24 billion in sales, he said.

Boeing shares closed up 85 cents at \$74.11 on the New York Stock Exchange.

87. December 29, 2011

“With \$30 Billion Arms Deal, U.S. bolsters Saudi ties”—Mark Landler and Steven Lee Myers
(at http://www.nytimes.com/2011/12/30/world/middleeast/with-30-billion-arms-deal-united-states-bolsters-ties-to-saudi-arabia.html?_r=1&hp)

(whole article)

HONOLULU — Fortifying one of its key allies in the Persian Gulf, the Obama administration announced a weapons deal with [Saudi Arabia](#) on Thursday, saying it had agreed to sell F-15 fighter jets valued at nearly \$30 billion to the Royal Saudi Air Force.

The agreement, and the administration’s parallel plans to press ahead with a nearly \$11 billion arms deal for [Iraq](#), despite rising political tensions there, is dramatic evidence of its determination to project American military influence in an oil-rich region shadowed by a threat from [Iran](#).

Though the White House said the deal had not been accelerated to respond to [threats by Iranian officials](#) in recent days to shut off the Strait of Hormuz, its timing is laden with significance, as tensions with Iran have deepened and the United States has withdrawn its last soldiers from Iraq.

“This sale will send a strong message to countries in the region that the United States is committed to stability in the gulf and the broader Middle East,” said Andrew J. Shapiro, the assistant secretary of state for political-military affairs. “It will enhance Saudi Arabia’s ability to deter and defend against external threats to its sovereignty.”

The agreement also suggests that the United States and Saudi Arabia have moved beyond a bitter falling-out over the uprisings in the Arab world. Though the two countries continue to differ on how to handle the popular revolts in the region, American and Saudi officials said, the disagreement has not fractured a strategic alliance based on a common concern over Iran.

Saudi Arabia is a longtime foe of Iran, with relations souring further last fall after the United States broke up what it said was an [Iranian-backed plot to kill the Saudi ambassador](#) to Washington. [Iran has denied](#) the accusations.

“When you look at the size of this package, what does it tell you about U.S.-Saudi relations?” said a senior Saudi official, who spoke anonymously because he was not authorized to speak publicly. “It says it’s very strong and very solid. Any disagreements from time to time don’t affect the core relationship.”

The weapons package is remarkable, both for its size and for its technical sophistication. Under the terms of the \$29.4 billion agreement signed on Dec. 24, Saudi Arabia will get 84 new F-15SA jets, manufactured by Boeing, and upgrades to 70 F-15s in the Saudi fleet with new munitions and spare parts. It will also get help with training, logistics and maintenance.

The new F-15s, which will be delivered in 2015, are among the most capable and versatile fighter jets in the world, Pentagon officials said. They will come with the latest air-to-air missiles and precision-guided air-to-ground missiles, enabling them to strike ships and radar facilities day or night and in any weather. Though Mr. Shapiro and other officials said the planes were intended to help Saudi Arabia protect its sovereignty, military analysts said they would be effective against Iranian planes and ships anywhere in the Persian Gulf. They are part of a 10-year, [\\$60 billion weapons package for Saudi Arabia](#) that was approved last year by Congress.

At the time, there was a vigorous debate, with some lawmakers arguing that such a huge arms package would threaten the military position of Israel. Mr. Shapiro, speaking at a State Department briefing, said the administration was satisfied that the sale of the F-15s would not diminish "Israel's qualitative military edge."

The White House portrayed the arms sale as part of a concerted effort to shore up its relationship with Saudi Arabia. President Obama has made several telephone calls to King Abdullah, a senior official said; the national security adviser, Thomas E. Donilon, traveled twice to the Saudi capital, Riyadh; and Vice President Joseph R. Biden Jr. led a high-level delegation to the funeral of Crown Prince Sultan bin Abdul Aziz in October.

Early this year, the Saudis were furious when Mr. Obama withdrew support for Egypt's embattled president, Hosni Mubarak, after he faced massive protests in Cairo's Tahrir Square. Later, it was the White House's turn to be upset, when [Saudi tanks rolled into neighboring Bahrain](#) to help quash a mainly Shiite rebellion against that kingdom's Sunni monarchy.

Yet Saudi Arabia and the United States continue to cooperate in areas like counterterrorism. In recent weeks, the two have worked to resolve the crisis in Yemen, where President Ali Abdullah Saleh has formally agreed to cede power in a Saudi-brokered agreement and has applied for a visa to travel to the United States for medical treatment.

"The agreement reinforces the strong and enduring relationship between the United States and Saudi Arabia," Joshua R. Earnest, the White House's deputy press secretary, said in a statement issued in Hawaii, where Mr. Obama is on vacation.

With the United States pulling out of Iraq, the administration has been eager to demonstrate that it will remain a presence in the region. It is proceeding with weapons sales to Iraq, despite fears that Prime Minister Nuri Kamal al-Maliki may abandon his American-backed power-sharing government in favor of a Shiite-dominated state.

The administration has weighed stationing combat troops in Kuwait in case of a military confrontation with Iran or a collapse in security in Iraq. It is also seeking to expand military ties with other gulf countries, including Qatar, Oman and the United Arab Emirates.

"I see this more in the longer-term effort by the administration to signal that even with the withdrawal of troops from Iraq, the U.S. is still committed to the defense of its allies in the gulf and to the containment of Iran," said F. Gregory Gause III, an expert on Saudi affairs at the University of Vermont.

The weapons deal, Mr. Gause said, also illustrated that the two countries could put aside their differences and focus on larger strategic priorities. "After some tension-filled months this year over

Egypt and Bahrain, both sides have agreed to disagree on that, and agree on their common interests,” he said.

88. December 30, 2011

“\$6.3 trillion wiped off stock markets in 2011”—Robin Wigglesworth
(at <http://www.ft.com/intl/cms/s/0/483069d8-32f3-11e1-8e0d-00144feabdc0.html#axzz1idWii0Je>)

(whole article)

Almost \$6.3tn was erased from global stock markets this year as the eurozone financial crisis reverberated across the world in the latter half of 2011, calling into question the future of the world’s largest currency bloc.

Global stock market capitalisation dropped 12.1 per cent to \$45.7tn according to Bloomberg data, while the euro ended the year as the worst performing major currency after finally starting to succumb to the continent’s financial and economic woes in December.

The euro had proved resilient for much of the year – burning hedge funds that bet on a steeper decline – but on Friday touched a 10-year low against the Japanese yen, and is near lows against the dollar last touched a year ago.

“Investors were more optimistic at the start of the year, but as the year progressed they were forced to come to grips with the debt levels in the western world,” said Navtej Nandra, the international head of Morgan Stanley’s asset management arm.

The S&P 500 is flat this year while the FTSE 100 has only dropped 5.5 per cent. But the Eurofirst 300 gauge of blue-chip European companies has lost 11 per cent, led by the French and Italian exchanges. The MSCI Emerging Markets index has shed a fifth of its value despite strong growth in China and other emerging markets.

Asian equity markets were hit particularly hard with Japan’s Nikkei index losing 17.3 per cent this year, Hong Kong’s Hang Seng index 20 per cent and the Shanghai Composite 22 per cent.

Assets considered to be relative [havens](#) amid the turmoil have fared better. UK government yields hit a record low on Friday and gilts were the best performing major government bonds in 2011 – notching up 17 per cent returns, compared with US Treasuries’ 9.8 per cent returns and 10 per cent for German Bunds.

Despite efforts by policymakers to shore up the eurozone, analysts and bankers expect next year to start on a glum note, as Europe continues to grapple with its debt crisis.

One of the biggest immediate tests will be the hundreds of billions of euros worth of government and bank debt that comes due in the first three months of the year.

Countries on Europe's periphery, on the other hand, face funding costs that remain at near record highs, despite a series of summits that have unveiled various measures to restore investor confidence in the eurozone.

There is more than €457bn of eurozone government debt due to be repaid in the first quarter of 2012, according to calculations by Citigroup. Italy has to repay almost €113bn in the first three months of next year – at a time when its [funding costs remain elevated](#).

"Markets would love to think that this will be solved swiftly, but dealing with all these problems will take time," said Philip Poole of HSBC Asset Management. "Bond yields will remain high until it's clear how deep the eurozone recession will be and austerity packages are more fully implemented."

The European Central Bank lent €489bn to more than 500 banks earlier this month to ease concerns over [bank funding](#), but has so far fought pressures to more actively buy eurozone government bonds directly.

While the US economy is showing signs of recovery and most emerging market countries are still growing at a healthy clip, some investors fear that China's economy could be facing a "hard landing" next year, posing yet another danger to the fragile global economy.

89. January 2, 2012

"Germany and Europe Expect a Tough 2012"—cgh with wire reports
(at <http://www.spiegel.de/international/europe/0,1518,806700,00.html>)

(pgh 9-12)

The euro zone, after all, is far from stable and investors are extremely wary. 2011 ended with stock markets around the world sliding significantly due to concerns about the European debt crisis and there is little to indicate that things will improve anytime soon.

Indeed, they could rapidly worsen. Even as European leaders last December resolved to push forward euro-zone fiscal integration and accelerate the introduction of the permanent euro backstop fund, the European Stability Mechanism (ESM), many continue to complain that more needs to be done on the short term. The euro zone is facing a year in which massive amounts of debt must be refinanced on the markets -- a total of €475 billion according to Citigroup. Much of the bond-offering activity will take place in crisis battered countries like Spain and Italy. Rome must find fully €113 billion on the bond markets in just the first three months of this year. Should its borrowing costs remain high or even increase, the situation could rapidly deteriorate.

Hitting the Bond Market in Berlin

"No one today can shirk his or her responsibility to contribute to putting the public accounts on track and averting Italy's financial collapse," said Italian President Giorgio Napolitano in a televised address on Sunday. "It's hard to regain credibility after having lost so much ground, and our bonds, despite some encouraging signs in recent days, remain under attack in the financial markets."

Germany, too, must hit the bond markets harder than planned in 2012. Because the introduction of the ESM was moved forward by a year, Berlin will have to take on fully €35 billion in new debt this year, twice as much as in 2011.

90. January 4, 2012

“Europe takes bold step toward a ban on Iranian oil”—Steven Erlanger
(at <http://www.nytimes.com/2012/01/05/world/europe/europe-moves-toward-ban-on-iran-oil.html?hp>
)

(whole article)

PARIS — Iran on Thursday sought to downplay the importance of intensified economic sanctions against it, even as European Union countries moved closer to agreement on an embargo on Iranian oil, their boldest step so far in the increasingly tense standoff with Iran over its nuclear program.

A final decision by the European Union would not come before the end of the month and would be carried out in stages to avoid major disruptions in global oil supplies. But the move by some of Iran’s most important oil customers appears to underscore the resolve of Western allies to impose on Iran the toughest round of sanctions to date, increasing pressure on Tehran to stop enriching uranium and to negotiate an end to what Western leaders argue is an accelerating program to build a nuclear bomb.

Iran denies military intent and refuses to stop enrichment of uranium for what it describes as civilian purposes. But it has responded to the threat of new U.S. and European sanctions with a series of military and diplomatic threats. It has test-fired new missiles, announced the production of its first nuclear-fuel rod, warned a U.S. aircraft carrier not to return to the Persian Gulf, and threatened to shut the Strait of Hormuz to shipping, which analysts said could drive oil prices up by at least 50 percent.

On Thursday in Tehran, Foreign Minister Ali Akbar Salehi said Iran was “not concerned at all” about an imminent E.U. ban on its oil, vowing that Iran would “weather the storm” of what the Economy Minister, Shamseddin Hosseini, likened to “an economic war.”

Mr. Salehi told a press conference that “Iran, with divine assistance, has always been ready to counter such hostile actions and we are not concerned at all about the sanctions.” He added: “Just as we have weathered the storm in the last 32 years with the hold of God and efforts that we make, we will be able to survive this as well.”

But he also said that would like to reopen talks with the West on the nuclear issue, suggesting a resumption of talks in Turkey. That was interpreted in Paris as an effort by Iran to buy time to continue its program. The European Union foreign policy chief, Catherine Ashton, has been waiting for Iran to respond formally to an October 2011 letter suggesting a resumption of talks, which broke off a year ago when Iran presented its own set of preconditions, including a lifting of sanctions, that the West considered unacceptable.

In 2010, oil from Iran accounted for some 5.8 percent of total European imports of crude, with Spain, Italy and Greece the most reliant. The new Italian prime minister, Mario Monti, said this week that Italy

would support an oil embargo as long as it was applied gradually and deliveries to repay Tehran's debts to the Italian energy company ENI were exempted.

Turkey, not a member of the European Union, is another important customer, getting about 30 percent of its oil imports from Iran. It has asked the United States for a waiver on dealing with Iran's Central Bank so it can continue to buy at least some Iranian oil.

The United States and France have been pushing hard for an embargo and sanctions against Iran's Central Bank. But some European nations depend heavily on Iranian oil and have been reluctant to cut off their imports during a severe economic slump.

At the end of December, lower-ranking diplomats agreed in Brussels to the shape of a European oil embargo on Iran, vowing to meet objections by some states that have significant oil imports from Iran, including Italy, Spain and Greece.

Those countries also expressed concerns about the impact on their already fragile economies of the increase in oil prices that would inevitably follow a sudden embargo. Wednesday's news caused a spike in the price of oil, with Brent crude reaching nearly \$114 a barrel, up nearly \$2 from Tuesday. European Union diplomats said Wednesday evening that while objections to an embargo had been overcome, there had been no formal agreement yet.

The compromise was to draw up phased sanctions that would not immediately break pre-existing contracts, the diplomats said. Italy, for instance, has already paid for a significant amount of Iranian oil in advance, one senior French diplomat said. "If they stopped importing right now they would lose a lot of money," the diplomat said.

The phased approach would also give international oil markets time to adjust to fill the supply gap created by a ban on Iranian oil, the diplomat said. Talks among European envoys will continue and focus partly on what contracts should be exempted from the ban and for how long.

"Now modalities and timing still need to be decided," said another European diplomat, speaking on condition of anonymity as negotiations were under way. "There's still a lot of work to be done," that diplomat said.

In addition, European nations must resolve differences over sanctions on the financial sector in Iran, including transactions with the Central Bank, and here there was little agreement, diplomats said. Alain Juppé, the French foreign minister, said Wednesday evening in Portugal that a decision on an oil embargo could take place at a European Union summit meeting on Jan. 30, although putting one into place would take longer.

"It's at this occasion I hope that we can adopt this embargo on Iranian oil exports," Mr. Juppé said at a news conference in Lisbon. "We are working on this. and things are on track."

He said that "we have to reassure some of our European partners who purchase Iranian oil, we have to provide them with alternative solutions." But alternatives exist, he said, without going into specifics, "and I think we can attain the objective by the end of January."

In Tehran, the governor of Iran's Central Bank, Mahmoud Bahmani, acknowledged Wednesday that the "psychological effects" of new United States financial sanctions were partly responsible for the devaluation of Iran's currency, the rial, which rebounded some from record lows on Tuesday. Mr. Bahmani said Iran might raise interest rates to stabilize the market.

In comments published Wednesday, Mr. Bahmani said that Iran could handle sanctions itself. "I say this with great certainty that sanctions don't create problems for the country's economy," he said. "While knowing this, the enemy is depending on creating psychological tensions. If we are intimidated, we will be playing into the enemy's hands."

91. January 4,2011

"U.S.-Iran Tensions: Mideast showdown builds as U.S. tightens ties to Israel"—David Wood (at http://www.huffingtonpost.com/2012/01/04/us-iran-tensions-israel-joint-military-exercises_n_1183952.html)

(whole article)

WASHINGTON -- Storm clouds darkening over the Middle East suggest a growing peril for the United States and the possibility of a new war that could embroil the U.S., Israel, Iran and others in a bloody, costly fight.

Behind this week's exchange of threats between Iran and the United States over access to the Persian Gulf, seasoned analysts see a perfect storm of factors that could trigger armed conflict.

Iran's work on nuclear weapons is fast approaching a "red line," the crossing of which both the United States and Israel say is unacceptable and may have to be halted by force. Washington and European capitals are preparing new sanctions that would sever Iran from the international banking system, a move that would cripple its economy and that Tehran has said it would consider a provocation to war. Growing violence in Syria threatens to spill over its borders with Israel, Lebanon and Turkey, a NATO ally.

Amid the saber-rattling rhetoric from Washington and Tehran, and Arab world upheaval from Egypt to Iraq to Yemen, the United States is planning an unprecedented escalation of military cooperation with Israel, including massive joint exercises this spring to practice joint command and maneuver of ground forces in combat.

And political campaigns, including a struggle between bitterly opposed factions in Iran's March parliamentary elections and the U.S. presidential contest culminating in the fall, are likely to keep all these tensions at a boil.

"'Powder keg' doesn't begin to describe it," said Louise Arbour, president of the International Crisis Group, an independent organization that monitors global tensions. "Rising strategic stakes have heightened the regional and wider international competition," she [wrote in a new assessment](#). It is, she concluded, "an explosive mix."

U.S. Defense Secretary Leon Panetta said last month that the planned maneuvers with Israel, dubbed Austere Challenge, will be "the largest joint exercise in the history" of U.S.-Israeli relations. What had

been a biannual series of command-post computer training with simulated forces held in Germany has been expanded this year to Israel and will include U.S. Army combat troops on the ground in Israel, commanded and maneuvered by joint U.S.-Israeli command centers in Europe and Israel.

The joint maneuvers are part of what Panetta has called "unprecedented defense cooperation" with Israel, which also includes joint naval exercises and the training of U.S. Marines on counterterrorism and urban warfare operations with Israeli commandos.

Austere Challenge will play out in May, shortly after a massive joint missile defense exercise, Juniper Cobra, that will involve U.S. and Israeli defense systems and missile interceptors.

U.S. officials in Washington and Europe declined to provide details on the joint exercises. Air Force Capt. John Ross, a spokesman for the U.S. European Command, which will conduct Austere Challenge, said the exercise "is not in response to any real-world event."

But Iran's work on its nuclear weapons, [newly documented last month](#) by the inspectors of the International Atomic Energy Agency, is driving events at a fast clip. Panetta has said [Iran could have a nuclear bomb](#) in "about a year ... perhaps a little less" if Iran, as suspected, has a secret uranium enriching facility.

Should Iran cross that "red line," Panetta told CBS News on Dec. 19, "we will take whatever steps necessary to stop it."

The Obama administration and others have tried economic sanctions to drive Iran to abandon its nuclear program. According to a [recent report by the Congressional Research Service](#), the extensive web of international sanctions against Iran is not having an appreciable impact on its economy, which is growing at an enviable 3.5 percent annual rate. But Iran's economy -- and particularly its state-subsidized imports of food and gasoline -- depends on unfettered access to global financial markets.

Legislation reluctantly signed into law by President Barack Obama last week requires the president within 180 days to impose sanctions on any foreign financial institutions that deal with Iran's central bank. Widespread refusal to deal with Iran's central bank would strangle the country's access to hard currency from its oil revenues, which earn Iran, as the world's fourth-largest oil exporter, about \$75 billion a year.

In response, Iran has threatened to close the Persian Gulf at its chokepoint, the Strait of Hormuz, through which pass some two dozen giant oil tankers a day carrying one-third of the world's oil consumption.

Although the president can waive the new sanctions for 120 days at a time, a White House spokesman said the administration is working with its European allies and others "to be in a position to most effectively implement" the sanctions, seeking to "avoid negative repercussions to international oil markets."

In anticipation of an oil trade war -- or worse -- oil prices have risen sharply this week, and Iran's currency, the rial, briefly fell to a new low in a signal of rising consumer prices for food and fuel. The risk, of course, is that the heated rhetoric and implied threats gain a momentum of their own. "As these things go forward it's more difficult to step back," said Michael Adler, an Iran scholar at the

Woodrow Wilson International Center in Washington. Speaking of the region as a whole, he added, "It's a tinderbox squared or cubed."

The unintended danger arising from the threatened sanctions is that they might push the U.S. and Iran toward conflict rather than toward a peaceful conclusion, warned Vali Nasr, a senior fellow at the Brookings Institution, a Washington think tank. "This is a significant escalation of tension between the United States and Iran, and the start of a more dangerous phase in the West's attempt to curtail Iran's nuclear program," he [wrote in a new analysis](#).

"War between the U.S. and Iran may very well start, not if and when Washington decides to strike against Iran's nuclear facilities, but because sanctions designed as the alternative to military action end up hastening its advent," Nasr wrote.

92. January 5, 2012

"Screws tighten on Iran as big buyers shun its oil"—Robin Pomeroy (Additional reporting by Chen Aizhu in Beijing and Tetsushi Kajimoto; Writing by Peter Graff; Editing by Giles Elgood) (at <http://www.reuters.com/article/2012/01/05/us-iran-idUSTRE8041CX20120105>)

(Reuters) - Iran faced the prospect on Thursday of cutbacks in its oil sales to China and Japan as new measures to cut off Tehran's crude exports appeared to be driving its economy to the wall.

The developments in Asia follow news on Wednesday that EU leaders had agreed to halt European purchases of Iranian crude.

China, Iran's biggest trade partner, has already cut its purchases of Iranian oil by more than half this month and will extend the cuts to February, a Beijing-based trader who deals with Iranian oil said. Japan will consider cutbacks in its Iranian oil purchases to secure a waiver from new U.S. sanctions signed into law on New Year's Eve by President Barack Obama, a government source said.

Between them, China, the EU and Japan buy about half of Iran's exports of 2.6 million barrels of oil per day.

International sanctions that for years had little effect are for the first time having a real impact on day-to-day life in Iran, where the rial currency has tumbled and people have rushed to convert savings into dollars.

Most oil traders still expect Iran will be able to find buyers for its crude, but it will have to offer steeper discounts that will cut the hard currency revenue it needs to import food and other basic supplies for its 74 million people.

Iran has put on a brave face. Foreign Minister Ali Akbar Salehi said on Thursday Iran would "weather the storm."

"Iran, with divine assistance, has always been ready to counter such hostile actions and we are not concerned at all about the sanctions," he told a news conference.

The economic hardship comes just two months before a parliamentary election, the country's first since a disputed presidential vote in 2009 led to massive public demonstrations across the country. The authorities put those protests down by force, but since then the Arab Spring has revealed the vulnerability of authoritarian governments in the region to public anger driven by economic hardship.

Iran's leaders have responded to the sanctions with military saber-rattling, including a threat to blockade the Middle East's oil by shutting the Strait of Hormuz that leads to the Gulf, and even challenging a U.S. aircraft carrier if it sails the strait.

Washington says it will sail the strait at will and will guarantee free passage through the international waterway. British Defence Secretary Philip Hammond said any attempt to block the strait "would be illegal and would be unsuccessful."

EUROPEAN EMBARGO

European diplomats said this week they had agreed in principle to impose an EU oil embargo. The bloc - particularly Italy, Spain and Greece - has collectively bought about 500,000 barrels per day of Iran's oil, making it Iran's second biggest customer after China.

EU leaders have yet to agree when the embargo will take effect, but are expected to announce it at a foreign ministers meeting at the end of this month.

China, the largest buyer, which imported about 550,000 bpd of Iran's oil last year, has cut its purchases by more than half for this month and would now extend that cut to February, according to the Beijing-based trader.

China is seeking deeper discounts for continuing to do business with Iran in spite of Western sanctions. The new U.S. measures, if implemented fully, would make it impossible for most countries' refineries to buy Iranian crude, marking a qualitative change in the West's approach to Tehran, which it accuses of seeking a nuclear weapon.

Iran says its nuclear program is peaceful. That standoff had led to four rounds of economic sanctions from the U.N. security council and a range of U.S. and European measures, but none of these directly hurt its ability to sell oil in the past.

Western resolve appears to have stiffened in recent months, especially after a U.N. report in November suggested Iran had taken concrete steps to develop a bomb. The storming of Britain's embassy by an Iranian crowd galvanized support among European countries for measures with more teeth.

Still, the West needs to balance its determination to isolate Iran with concerns about the impact on a fragile world economy of measures that might hurt oil supplies.

So far, the U.S. and EU sanctions have caused a steady rise in oil prices this week. Brent crude futures were trading at about \$114 a barrel on Thursday, up by about \$7 a barrel since Obama signed the new sanctions into law.

A Saudi government source said Saudi Arabia - the world's largest oil exporter and a foe of Iran - is ready to fill any supply gaps.

The new U.S. law allows Obama to offer waivers to prevent havoc in oil markets, but to receive the permits countries are expected to demonstrate that they are reducing ties with Tehran.

Washington has said it is discussing with allies how to apply the law gradually to tighten the screws on Tehran without causing an oil supply shock.

A Japanese government source said Tokyo, which buys about 250,000 bpd from Iran, would discuss with U.S. officials how to deal with the new sanctions law. Among options would be cuts in oil purchases to secure a waiver for its financial institutions.

Turkey, a U.S. ally which buys almost a third of its oil from Iran, has said it will also try to seek a waiver from the Obama administration.

NO TRADE IN THE BAZAAR

In Iran's bazaars, prices for basic foodstuffs and other goods have been rising fast in recent months. Much of that inflation has been caused by President Mahmoud Ahmadinejad's policy of cutting back on government subsidies for staples that held prices down, a policy that has been praised by the International Monetary Fund.

The government has tried to ease the pain by giving cash payments to families. But the fall in the rial currency has slashed the value of those payments in dollar terms from about \$45 a month to \$27. There are signs that some Iranians may blame the authorities for charting a foreign policy course that brought on sanctions.

"They give us some subsidy cash but it doesn't compensate for anything," said Saeed, a 33-year-old Tehran taxi driver, complaining that his imported cigarettes had doubled in price.

"When I ask people why things are becoming more expensive, they all say it's the sanctions."

Clothes merchant Mohammad, 34, said there was "no trade" despite the usual crowds swarming the shops and stalls in the maze of vaulted tunnels.

"We have to make the products more expensive because we have to pay more for dollars. We shopkeepers are putting pressure on people but we have no choice."

93. January 18, 2012

"World Bank warns emerging nations" —Chris Giles
(at <http://www.ft.com/intl/cms/s/0/dc86e646-405b-11e1-9bce-00144feab49a.html#axzz1jntZXFhe>)

(whole article)

Developing countries should take steps to plan for a global economic meltdown on a par with 2008-09 if the European sovereign debt crisis escalates, the World Bank warned on Wednesday in its latest economic forecasts.

Predicting significantly slower global growth in 2012 than it expected last summer even if the eurozone muddles through its crisis, World Bank economists said that if financial markets deny funds to eurozone economies, global growth would be about 4 percentage points lower than even these figures, with poorer economies far from immune.

Andrew Burns, head of macroeconomics at the Bank, told journalists in London: “Developing countries should hope for the best and prepare for the worst.”

Stressing the importance of contingency planning, he added: “An escalation of the crisis would spare no one. Developed and developing-country growth rates could fall by as much or more than in 2008-09.” The world economy would find it much more difficult to grow out of a new economic crisis, the World Bank warned, because rich countries had little monetary or fiscal ammunition available to stem any vicious circle and poorer countries now have “much less abundant capital, less vibrant trade opportunities and weaker financial support for both private and public activity [than in 2009]”.

The World Bank declined to predict how likely such a scenario was and added that there was little that developing countries could do to prevent a severe crisis, but urged them to evaluate their vulnerability to a euro-led crisis.

Even without a descent into a fresh crisis, the World Bank’s economic forecasts are significantly lower than those in June 2011, reflecting downside risks seen last summer which have already materialised. Using market exchange rates, the global economy is likely to grow by 2.5 per cent in 2012 and 3.1 per cent in 2013 compared with forecasts of 3.6 per cent for both years forecast only six months ago.



Source: World Bank

It expects the eurozone economy to contract in 2012 and other advanced economies to grow by only 2.1 per cent. The downgrade reflects heightened uncertainties over advanced economies which might in turn reduce the growth of world trade and demand from poorer economies.

“The motor of the global economy – developing nations – is slower at the same time as the world’s largest economic area – the EU – is in recession and these could feed on each other,” Mr Burns said.

If such a vicious circle were to develop, developing countries would find it impossible to decouple from European woes, he added. Many would be affected by falling oil and commodity prices, remittances sent home from workers in rich countries could fall more than 5 per cent along with income in rich countries, banking systems in poor countries would be vulnerable to financing risk as many developing countries have significant short-term debt falling due in 2012 and a confidence crisis would also hit spending in rich and poor countries alike.

China was the only large economy that had the capacity and will to implement policies to counter a new global downturn, Mr Burns said, but even the world's second-largest economy's power to counter recessionary forces would be weaker than in 2008 because the bank lending stimulus created an overheated housing sector while other methods of stimulating growth would be slower and less effective in stimulating demand.

94. January 18, 2012

World Bank slashes global GDP forecasts, outlook grim"--Reuters
(at <http://www.reuters.com/article/2012/01/18/us-worldbank-outlook-idUSTRE80H04S20120118>)

(whole article)

(Reuters) - The World Bank warned developing countries on Wednesday to prepare for the "real" risk that an escalation in the euro area debt crisis could tip the world into a slump on a par with the global downturn in 2008/09.

In a report sharply cutting its world economic growth expectations, the World Bank said Europe was probably already in recession. If the euro area debt crisis deepened, global economic forecasts would be significantly lower.

"The sovereign debt crisis in the euro zone appears to be contained," Justin Lin, the chief economist for the World Bank, told reporters in Beijing on Wednesday.

"However, the risk of a global freezing-up of the markets and as well as a global crisis similar to what happened in September 2008 are real."

The World Bank predicted world economic growth of 2.5 percent in 2012 and 3.1 percent in 2013, well below the 3.6 percent growth for each year projected in June.

"We think it is now important to think through not only slower growth but sharp deteriorations, as a prudent measure," said Hans Timmer, director of development prospects at the bank.

The World Bank said if the euro area debt crisis escalates, global growth would be about 4 percentage points lower.

It forecast high-income economies would expand just 1.4 percent in 2012 as the euro area shrinks 0.3 percent, sharp downward revisions from growth forecasts last June of 2.7 percent and 1.8 percent, respectively.

It cut its forecast for growth in developing economies to 5.4 percent for 2012 from its previous forecast of 6.2 percent, saying expansion in Brazil and India and to a lesser extent Russia, South Africa and Turkey, had slowed already.

It saw a slight pick up in growth in developing economies in 2013 to 6 percent. But the report said threats to growth are still rising, suggesting the outlook remained highly uncertain.

"The downturn in Europe and weaker growth in developing countries raises the risk that the two developments reinforce one another, resulting in an even weaker outcome," it said.

It also cited failure so far to resolve high debts and deficits in Japan and the United States and slow growth in other high-income countries, and cautioned those could trigger sudden shocks.

On top of that, political tensions in the Middle East and North Africa could disrupt oil supplies and add another blow to global prospects.

It said that while Europe was moving toward a long-term solution to its debt problems, markets remained skittish.

On balance, the World Bank said global economic conditions were "fragile and there remains great uncertainty as to how markets will evolve over the medium term."

DEVELOPING COUNTRIES VULNERABLE

Against that backdrop, it said developing countries were even more vulnerable than they were in 2008 because they could find themselves facing reduced capital flows and softer trade.

In addition, many developing countries have weaker finances and wouldn't be able to respond to a new crisis as vigorously.

China's growth -- forecast in the report at 8.4 percent in 2012 -- could help bolster imports and gives it "big fiscal space" to respond to changing conditions, Lin said.

"No country and no region will escape the consequences of a serious downturn," the World Bank said, adding that now was the time for developing countries to plan how to soften the impact of a potential deep crisis.

A serious crisis would manifest itself in not just reduced trade flows, but also reversal of capital flows, making it hard for countries, especially in Eastern Europe and Latin America, who have debt coming due. The World Bank pointed out that since last August risk aversion to Europe has shot up and "changed the game" for developing countries that have seen their borrowing costs escalate sharply and the flow of capital to them decrease.

High-income countries have prime responsibility for preventing a crisis, the World Bank said, but "developing countries have an obligation to support that process both through the G20 (Group of 20 rich and developing countries) and other international fora."

Among other things, developing countries "could help by avoiding entering into trade disputes and by allowing market prices to move freely."

It also said developing-country governments should start contingency planning to identify spending priorities and to try to shore up safety net programs. Those contingencies should take into account possible drops in commodity prices and a fall in capital inflows, the World Bank said.

The World Bank forecast is lower than ones from the International Monetary Fund and the Organisation for Economic Co-operation and Development, who last officially updated their numbers in September and November, respectively.

The IMF, which has said it expects to cut its forecasts had predicted world growth of 4.0 percent in 2012, while the OECD had penciled in 3.4 percent.

(Reporting By Glenn Somerville and Lucy Hornby; Editing by Chizu Nomiyama and Neil Fullick)

VIII. Solutions

A. Overview of The “Constellation of Initiatives” Approach of The IPCR Initiative

My first introduction to the concept of Community Visioning Initiatives was in 1994, when I saw a video titled “Chattanooga: A Community with a Vision” (25 minutes). The video documents two very successful Community Visioning Initiatives organized by the non-profit organization Chattanooga Venture—one in 1984, and a follow-up in 1993. The 1984 Chattanooga Community Visioning Initiative attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars.

In 2001, I began to build an initiative called The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative, with the concept of Community Visioning Initiatives as a key catalyst for solution-oriented momentum. The IPCR Initiative has evolved over the years, and on the IPCR website homepage (at www.ipcri.net) there is now a 7 point list of steps which can be taken by communities in almost every variety of circumstances, and in almost every cultural setting. This 7 point list emphasizes “asking for ideas” and “giving people an opportunity to become actively involved in a solution-charged environment”; and is especially appropriate to minimizing the risks of “transformation unemployment”. Another essential point which is addressed by these steps is the uncertainty which is causing much hesitation at a time many may regard as one of the most critical crossroads in history. Following these 7 steps can help maximize citizen participation, help build consensus for a ‘culturally acknowledged’ set of challenges and solutions which are more appropriate to our current circumstances, help mitigate many or all of the critical challenges in Appendix A, help “bring to the fore” the best in each of us—and help make best use of the many good organizations and initiatives which are already making valuable contributions.

1) A Seven Point List for Accelerating and Maximizing Solution-Oriented Activity

a) Identifying a Consensus Building Narrative.

A central focus of The IPCR Initiative is its advocacy for a combination of Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times. The narrative being identified here is time-intensive-and-place-specific community education, brainstorming, and problem solving with the goal of identifying challenges, and accelerating solution-oriented activity. I believe this approach is not imposing an ideology; I believe it is a straightforward application of relevant tools and resources towards critical problem solving—and in the context of community visioning, it’s the residents at the local community level who identify and prioritize problems and resources.

b) Develop and send out preliminary surveys—compile and share the results.

Results from well thought out preliminary surveys (circulated to at least 150 key leaders from many different fields of activity in the community) can help residents appreciate the need for a Community Visioning Initiative, and for “Community Teaching and Learning Centers”.

c) Create many local resource centers and workshop locations.

The concept of “Community Teaching and Learning Centers” (created by the “Teachers Without Borders” organization) (modified and expanded by the IPCR Initiative) is about creating many local community points of entry which function as information and resource centers, locations for workshops, and locations for the training of “teacher-leaders” (see p. 238-240 for more detail about valuable contributions which can be made by “Community Teaching and Learning Centers”). Creating many “Community Teaching and Learning Centers” in a community carrying out a Community Visioning Initiative would have positive multiplier effects in the areas of education (workshop participation), participation (in identifying challenges, and actualizing solution-oriented activity), reducing polarization on issues (through an emphasis on the need for fellow citizens to rely on and support each other), and in building close-knit communities... communities with a healthy appreciation for each others strengths, communities with a well-developed capacity to resolve even the most difficult challenges—and communities which demonstrate a high level of compassion for their fellow human beings.

d) Maximize Citizen Participation.

Community Visioning Initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps. One of the main goals of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity. [Note: The IPCR Initiative advocates for time-intensive Community Visioning Initiatives, which may last as long as 18 months.] Appendix E has a 320 word description of the kind of Community Visioning Initiatives advocated by The IPCR Initiative, Appendix F has a 305 word description of the potential of Community Visioning Initiatives, and Appendix G has a detailed 15 Step Outline for carrying out a Community Visioning Initiative.

[Special Note: “A 15 Step Outline for the kind of Community Visioning Initiatives advocated by The IPCR Initiative” (see Appendix G) is an example of collaborative problem solving at the local community level—and an example of the kind of problem solving which requires that each of us (not just those in power) “actualize in our own lives” practices and processes which turn polarizing circumstances into collaborative efforts (which make best use of the knowledge and skills each one of us has). There are difficult challenges ahead. We will need the best efforts we can make at working together to overcome such challenges.]

e) Hold job fairs at the end of the Community Visioning process.

The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc) to *demonstrate their upgraded awareness—and interest in the welfare of the community—by offering and facilitating new employment opportunities...* and thus assisting with a just transition from patterns of investment which in only limited ways represent solution-oriented activity to patterns of investment which in many ways represent solution-oriented activity.

f) Make good use of the “Sister Community” model.

“Sister Community” relationships provide whole communities with opportunities to assist other communities with such a just transition. In addition, such community-to-community relationships create service work capable of uniting diverse communities of people, and a variety of opportunities for person-to-person peacebuilding (as can be seen by the work of organizations such as “Sister Cities International”).

g) Re-invent the community service element of local newspapers.

This “constellation of initiatives” approach to maximizing citizen participation in solution-oriented activity also provides many opportunities for local newspapers to contribute very valuable community services. (For example: making preliminary survey results accessible; highlighting inspirational role models and service-oriented initiatives associated with the Community Visioning process; describing workshop activity in the “Community Teaching and Learning Centers”; providing accountability reporting relating to the planning, implementation, evaluation, and sharing the lessons stages of the Community Visioning Initiative; etc).

Additional Comments:

This “constellation of initiatives” approach—which emphasizes the use of questionnaires, “Community Teaching and Learning Centers”, and Community Visioning Initiatives—is comprehensive enough to bring forward many ideas, and build consensus for the increased locally-based support for many new or existing initiatives. A fundamental advantage of this approach is that there is no effort to “push the agenda of any lead organization”. Instead, there is much effort directed towards creating a constellation” of practical and relevant initiatives which reflect the needs and preferences of the majority of the community—and such efforts have the potential to inspire maximum participation by local residents in re-directing their time, energy, and money to more solution-oriented activity. Also, there is the emphasis on identifying challenges, and solution-oriented activity. A continued emphasis on these two themes, over time, will eventually bring the community back into alignment with the realities of our times... and it will do so at a pace which is workable for those particular local residents, it will add valuable knowledge and skill sets relating to problem solving as a team, and it will give local residents many more opportunities to encourage and support each other in the everyday circumstances of community life.

Given the challenges referenced by a significant number of sources in this document (Note: many of these challenges are summarized by the list in Appendix A), this writer feels it is critical for people in every variety of circumstances to gain a deep appreciation for how comprehensive peacebuilding efforts can be—how every person in communities around the world can do something to contribute to the greater good of the whole. This writer believes that the work of The IPCR Initiative can help many people gain a deep appreciation for how comprehensive peacebuilding efforts can be.

A warning: it must be clear that this “constellation of initiatives” approach can be used by communities of people to bring forward many different kinds of agendas. People who are doing preliminary planning for carrying out a Community Visioning Initiative should be aware that there may be people in the community who—regardless of the difficulties and urgencies associated with resolving multiple crises—choose to focus their attention of trying to make money by preying of people’s fears, manipulating people’s trust, and/or encouraging people to abandon hope in higher aspirations, and indulge in unhealthy, or immoral behavior. Such behavior is clearly counterproductive to the building of caring communities; it can be very dangerous for community morale; and it can become a crippling obstacle in

times of crises. Responsible people will take sufficient preventative measures to proactively encourage a high percentage of constructive thinking and constructive action in their community.

In addition, many people may think it is naïve to imagine that people from so many diverse religious, spiritual, moral, and cultural traditions can decide to come together in such a way as to not only encourage, but participate in, a high percentage of constructive thinking and constructive action in response to the difficult challenges ahead (as in the high levels of participation encouraged by comprehensive Community Visioning Initiatives). From this writer's point of view, such skepticism and cynicism depend for their existence on doubts as to whether it is possible for people to achieve highly advanced forms of wisdom and compassion through genuine instruction and sincere effort. *Thus it is that there is a great responsibility on those people who are in any way representatives of religious, spiritual, and/or moral traditions—to demonstrate what is possible along the lines of wisdom and compassion, to provide genuine instruction when sincere efforts are being made, to contribute to the greater good of the whole, and to help restore confidence in the higher values of life.*

2) About Community Visioning Initiatives

a) What are Community Visioning Initiatives?

--Well organized efforts to identify problems and brainstorm solutions are a universally recognized approach to problem solving which is commonly used in family, community, business, and government settings in every part of the world.

--In its most basic format, a Community Visioning Initiative (CVI) is simply a more comprehensive variation of the above mentioned approach to problem solving.

--Community Visioning Initiatives (CVIs) are especially useful as a means of increasing or maximizing citizen participation in the planning phase of community revitalization efforts.

--In 1984, the non-profit organization Chattanooga Venture [Chattanooga, Tennessee (USA)] organized a Community Visioning Initiative that attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars. (For source references, see p. 9 of the “1000Communities²” proposal)

--Community Visioning Initiatives (CVIs) can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps.

--Many CVIs have followed a model which has three basic steps, and which requires 3 to 6 months to complete (this is a variation of the “Oregon Model”⁴):

Where are we now? (or What are we now?)

An assessment which incorporates:

Community Values

Strengths and Weaknesses

Most Difficult Challenges

Most Valuable Resources

Where do we want to go? (or What do we want to be?)

Brainstorming and strategic planning sessions which involve:

- Brainstorming Positive or Desirable Community Improvements
- Developing these Ideas into Practical Goals
- Prioritizing the Goals

How can we get there?

Brainstorming and/or focus group sessions which answer the questions:

- What action plans will help us achieve our goals?
- Who will implement the action plans?
- How will they be implemented? (With what funding?)
- How will we know if our efforts are achieving the desired results?

--Many CVIs require steering committees, preliminary surveys or assessments, workshops, task forces, and collaboration between many organizations, government agencies, businesses, and educational institutions—and seek to build up consensus in the community for specific goals and action plans by encouraging a high level of participation by all residents.

b) Examples of Community Visioning Initiatives

i) Many cities and towns in the United States have carried out visioning initiatives or strategic planning exercises (see “Google” results for the key words “community visioning”); however, this writer does not know of any particular examples which are meant to be responses to most of the critical challenges listed in Appendix A, which have been as time-intensive as the “1000Communities²” proposal suggests or which have followed an approach similar to the one detailed in Appendix G.

ii) In 1984, the non-profit organization Chattanooga Venture [Chattanooga, Tennessee (USA)] organized a Community Visioning Initiative (“Vision 2000”) that attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars. (Note: “Vision 2000” was a five month long process.) (Additional Note: There was a video made after the second visioning project which provided documentation of both processes; and I have a copy of the video, received with other materials back in 1996. Recently I found a business which would make 4 DVD copies for me, for personal sharing, even though I didn’t own the copyright.)

iii) The “1000Communities²” Proposal

The IPCR Initiative advocates (see IPCR document “1000Communities²”) organizing and implementing Community Visioning Initiatives in 1000 communities (communities—or segments of rural areas, towns, or cities—with populations of 50,000 or less) around the world

--which are time-intensive, lasting even as much as 1½ years (18 months), so as to give as much importance to developing a close-knit community as it does to

- accumulating and integrating the knowledge and skill sets necessary for the highest percentage of people to act wisely in response to challenges identified as priority challenges

- helping people to deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges
- assisting with outreach, partnership formation, and development of service capacity for a significant number of already existing (or forming) organizations, businesses, institutions, and government agencies
- helping to build a high level of consensus for specific action plans, which will help inspire additional support from people, businesses, organizations, institutions, and government agencies with significant resources

--which expand on the concept of “Community Teaching and Learning Centers” (created by the “Teachers Without Borders” organization) so that such local community points of entry function as information clearinghouses, meeting locations, education centers for ongoing workshops (on a broad range of topics related to the Community Visioning Process, and building the local knowledge base), practice sites for developing “teacher-leaders”, a location for an ongoing “informal” “Community Journal”, a location for listing employment opportunities—and provide a means of responding quickly (by changing the emphasis of workshop content) to new urgencies as they arise

--and which suggest—as a way of emphasizing the need for an exponential increase in compassion for our fellow human beings—that communities (with the resources to do so) enter into “sister community” relationships with communities in other countries where there has been well documented calls for assistance with basic human needs.

iv) Time Required, and Estimated Cost, for the kind of Community Visioning Initiatives advocated by The IPCR Initiative

--The IPCR Initiative emphasizes a time-intensive approach to Community Visioning, which may take up to 1^{1/2} years (18 months) to complete. (Note: A 15 step outline of the kind of Community Visioning Initiatives advocated by The IPCR Initiative is in Appendix G)

--Estimated Cost (for 18 month Community Visioning Initiative which can be carried out by local communities—or segments of rural areas, towns, or cities—with populations of 50,000 or less) = \$3 million

c) People who have done especially significant work over many years in the field of community visioning and community revitalization

--Steven Ames

From the website of NXT Consulting Group (see webpage for NXT Consulting Team, at <http://www.nxtconsulting.com/team.html>)

“Steven Ames is a consulting long-range planner and principal of NXT Consulting Group, LLC. He is also the principal of Steven Ames Planning, a private consultancy providing long-range planning services for an international urban planning clientele.

“Much of Steven’s career has focused on the development of long-range and strategic plans for public agencies and institutions. In this capacity, he has advised local, state, provincial and federal government agencies, state court systems, health advocacy organizations, and institutions of higher education. Steven’s work centers on process design, facilitation, and communications. As a planner, he has conducted environmental scans, created alternative scenarios and vision statements, and developed

strategic action plans. As a facilitator, he has designed and facilitated scientific surveys, focus groups, task forces and public meetings, and visioning and strategic planning workshops.

“In higher education, Steven was consultant to Pacific 2000, a long-range planning process for Pacific University. Subsequently, he worked with Pacific’s restructuring task force, its College of Education, and Board of Trustees. As part of NXT Consulting, he has facilitated long-range planning projects for St. Ambrose University, Davenport, Iowa, Linfield College (Portland Campus), Portland, Oregon, and Portland State University College of Liberal Arts and Sciences.

“Steven has work extensively for other public agencies and institutions in Oregon, including the City of Portland, Metro, Oregon Economic Development Department, Oregon Progress Board, Oregon Business Council, Oregon State Extension Service, Oregon Judicial Department, and Pacific Power.

“Described as ‘one of the Northwest’s outstanding futurists,’ Steven is recognized internationally for his work in long-range city planning. He has advised visioning projects for scores of cities in the U.S., Canada, Australia and New Zealand. He is author of the American Planning Association’s (APA) A Guide to Community Visioning, and has published numerous articles on long-range urban planning in the U.S., Europe and Asia.

“Steven is recipient of the Oregon APA’s Award for Distinguished Leadership by a Professional Planner and, currently, the Craig Byrne Fellow for the Orton Family Foundation, a private foundation dedicated to helping small communities articulate, enrich and protect their sense of place. Steven has an A.B. degree from Drew University CLA, Madison, New Jersey, and M.S. degree from the University of Michigan School of Natural Resources. He has also studied with faculty of the London School of Economics.”

From Profile at Orton Family Foundation (at <http://www.planningtoolexchange.org/organization/steven-ames-planning>)

Summary

“Steven Ames Planning, led by principal Steven Ames, is a national leader in community and regional visioning. The firm offers consulting services as well as strategic visioning plans with a focus on regionalism and sustainability.”

Organization Description

“Described as an “architect of public process,” Steven Ames is a consulting long-range planner based in Portland/Bend, Oregon, recognized for his work in the area of community and regional visioning. He is the author of A Guide to Community Visioning, published by the American Planning Association (APA) and innovator of the Oregon Model, a strategic approach to visioning employed by cities and towns across the country.

“Steven has advised two generations of visioning projects for the City of Portland, and worked with scores of other communities in Oregon and throughout the western U.S. His most recent award-winning project is the Columbia Gorge Future Forum, a regional visioning process engaging the 13 communities and tribes of the Columbia River Gorge in Oregon and Washington.

“Steven has also consulted with local governments and communities in Canada, New Zealand and Australia, including Christchurch, Brisbane, and Canberra. His award-winning clients include Gold Coast

City in Queensland, Australia's iconic "Sea Change" city, and the City of Blue Mountains near Sydney, a string of urban villages located inside a World Biosphere Reserve.

"Steven conducts visioning master classes and speaks on the relationship between civic vision, urban redevelopment and sustainability. His recent writings include a chapter for APA's new reference work, Planning and Urban Design Standards.

"Focus Areas

[Community character](#)

[Community/Economic development](#)

[Comprehensive planning](#)

[Livability](#)

[Redevelopment](#)

[Regionalism](#)

[Visioning"](#)

[Scenario planning](#)

--Storm Cunningham

From the "Biography" webpage at stormcunningham.com (Storm Cunningham: Keynotes and Workshops)(at http://stormcunningham.com/Storm_Bio.htm)

Storm Cunningham Biography

"Author, The Restoration Economy (Berrett Koehler, 2002)

Author, reWealth (McGraw-Hill, 2008).

"CEO, REVITALIZ, LLC. REVITALIZ is a Washington, DC-based firm that helps communities, counties, tribes, regions, and nations ignite rapid, resilient renewal of their economy, their natural resources, and their quality of life. They are the creators of RevitalizFORUM, the world's first web tool for collaborative community and regional revitalization.

"Storm Cunningham has been called '*the world's thought leader on community revitalization and natural resource restoration*' by George L. Ochs, Managing Director, Global Real Assets, JP Morgan. Ochs calls Cunningham's 2008 book, *reWealth: 'The secret weapon...for economic recovery at both local and global scales.'*

"Cunningham is the author of 2002's The Restoration Economy, which has been hailed by government and business leaders around the world as "*Extraordinary*", "*Remarkable*", "*A modern classic*", "*A landmark work*", "*Required reading*", and "*The most important and valuable business book I have read in many years.*"

"His second book, reWealth, was published by McGraw-Hill in 2008. The Foreword was written by legendary 4-term Indianapolis mayor Bill Hudnut, now a Senior Resident Fellow at the Urban Land Institute. Bill Leary, former Director of Natural Resources, White House Council on Environmental Quality, says of reWealth: '*This is the book world leaders should be talking about! In reWealth they will find the path to revitalizing our economy, restoring our environment, and renewing the quality of our lives.*'

“Storm also writes chapters for the books of other authors, most recently Project Management Circa 2025 on the future of the project management profession (Project Management Institute, 2009: hardcover, 519 pages) and Restorative Redevelopment of Devastated Ecocultural Landscapes (CRC Press, June 2010: hardcover, 430 pages).

“Storm might be the only revitalization facilitator who addresses *all* aspects of renewal; natural and cultural resources, urban and rural communities, industrialized and lesser-developed countries, etc. On any given day, he might be working with educators, fishery biologists, city planners, agronomists, watershed managers, transportation engineers, environmentalists, economic development organizations, real estate developers, GIS software firms, project managers, mayors, ecosystem restorers, brownfields experts, historic preservationists, or catastrophe recovery agencies.

He is retained on a regular basis to speak or consult with federal agencies (such as Environment Canada), state/provincial governments, metropolitan areas & rural communities, and Fortune 500 companies. [Just two examples: The U.S. State Department (through the American Embassy in Warsaw) sponsored Storm's Polish speaking tour (and series of meetings with mayors) in 2006. In November of 2007, Storm was a keynoter (as was Bill Clinton) the Ontario Economic Summit, an invitation-only event for the province's most influential public and private leaders.] Storm also lectures at leading academic institutions worldwide on a regular basis.

“Storm Cunningham was—from 1996 to 2002—Director, Strategic Initiatives at the Construction Specifications Institute, a 50+ year-old association of 16,000 architects, engineers, contractors, and manufacturers. They provide training and certification for construction specifiers and document specialists, and their formats are the standard for quality commercial construction in the U.S., Canada, and several other countries. During this time, he was CSI's staff liaison to the U.S. Green Building Council.

“He was previously CEO of a small manufacturing company that developed aquaculture systems based on a pioneering water purification technology invented at the Smithsonian Institution.

“ A former Green Beret SCUBA medic, he is an avid SCUBA diver, motorcyclist, and amateur herpetologist. His passion for integrating economics and nature goes back to his undergraduate business major and biology studies at Windham College in Vermont. He lives in Arlington, Virginia, USA.”

From the homepage at www.stormcunningham.com

Storm's talks are ideal for the following audiences:

COMMUNITIES: If your city or region (rural or metropolitan)...

- Wants to reach "critical renewal", the tipping point where revitalization becomes self-sustaining...even self-accelerating.
- Has a new comprehensive plan, and wishes to increase it's ability to implement it successfully;
- Is ready for revitalization, but is having trouble attracting the right kinds of redevelopers, private investors, or public funding (federal, state/provincial, or foundations);
- Wants to initiate or renew a permanent revitalization /sustainable renewal program.
- Wants to create an effective, appropriate local organization to initiate, fund, and support an ongoing revitalization / sustainable renewal program.

NON-PROFITS, UNIVERSITIES, & FOUNDATIONS: If your institution...

- Wants to integrate its specific focus with the overall socioeconomic or environmental revitalization of your community or region;
- Wants to more-effectively engage all stakeholder groups (government, business, NGO, citizen, academic, citizen, and news media);
- Wants to attract new sources of revenue, by linking your mission with economic renewal.

Storm is also an ideal Commencement Speaker for colleges and universities wanting to inspire their graduates to restore and revitalize our world for a living.

CORPORATIONS, INVESTORS, & PROFESSIONAL ASSOCIATIONS: If your leaders/members...

- Wish to become more aware of the opportunities in the fast-growing, \$2 trillion/year global restoration economy that's renewing our natural, built, and socioeconomic environments;
- Wish to get the inside track on community restoration, remediation, and redevelopment projects, before the RFPs are even written.

From the "Free Demo" webpage at revitalize.com

Storm Cunningham has recorded a highly-educational 58-minute presentation that you can watch right now. It comprises three sections:

- 1) An overview of the 7 key factors of successful community revitalization efforts;
- 2) A demo of RevitalizFORUM, the web tool for comprehensive, collaborative renewal; and,
- 3) A demo of RevitalizNOW!, the crowdsourcing & crowdfunding tool for revitalization.

[Click here to watch this fascinating presentation now.](#)

From the "Fees and Contact Info" webpage at stormcunningham.com

Storm's Speaking Fees, Terms, & Contact Info

In-Person Talks & Workshops

- \$5000 for a plenary or keynote (up to 60 minutes + up to 20 minutes Q&A)
- \$7500 for a 3-hour "intensive" (90-minute talk + 90-minute Q&A)
- \$9500 for a 6-hour workshop (format of your choosing)

Virtual Talks, Meeting Participation, &/or Consultation

Now, Storm can join your next strategy or planning meeting, via speakerphone (audio only) or via live, online video:

- \$995 for up to 2 hours of live audio participation via speakerphone
- \$1995 for up to 2 hours of live audio/video participation (with Powerpoint presentation, and/or [RevitalizFORUM](#) software demo, if desired)

--Gianni Longo

From the company profile webpage at ACP Visioning and Planning
(at <http://www.acp-planning.com/origins.htm>)

Profile

“ACP Visioning+Planning was founded by Principals Gianni Longo and Jamie Greene to improve the livability of communities through the integration of visioning, strategic and physical planning and related services.

“ACP’s citizen-based approach to planning was born out of the pioneering Vision 2000 in Chattanooga, Tennessee, a first-of-its-kind effort led by Principal Gianni Longo to involve citizens in citywide planning in extraordinary ways. The firm has since innovated methods to involve citizens and stakeholders in planning efforts of every scale—regions, counties, cities and districts—as well as throughout a range of services—visioning, comprehensive planning, strategic planning, urban design and development regulations.

“Working with communities across the nation for over two decades has given ACP extensive experience addressing many common planning challenges, including: multi-jurisdictional cooperation, growth, sustainability, first-ring suburb conditions, suburban retro-fit, town-gown issues, resort communities conditions, efficient transportation choices, fiscal impacts of land use, and design character.

“ACP gained national recognition for its projects in Chattanooga (Tennessee), Birmingham (Alabama), metropolitan Washington D.C., Myrtle Beach (South Carolina), Hamilton County (Ohio), and, notably, New York City for Imagine New York: Giving Voice to the People’s Visions, one of the largest public participation efforts to help plan the redevelopment of the World Trade Center and Lower Manhattan. Imagine New York was awarded the 2003 American Vision Award and was recently acknowledged as one of the Top 25 Planning Stories Worldwide in the past 25 years by the American Planning Association.

From the Full Bio webpage for Gianni Longo, at ACP Visioning and Planning (at <http://www.acp-planning.com/pdf/GianniLongo.pdf>)

“Mr. Longo is an architect and founding Principal of ACP. For the past two decades, he has pioneered visioning and strategic planning efforts in cities and regions. Mr. Longo conceived and developed Vision 2000, a community goal-setting process in Chattanooga, Tennessee. The first of its kind, Vision 2000 is credited with stimulating over a billion dollars in development projects in that community.

“Mr. Longo designed the creative public involvement strategies for Imagine New York: Giving Voice to the People’s Visions, an APA award-winning effort to bring together people throughout the New York City region to share their ideas and vision for rebuilding downtown and memorializing the World Trade Center tragedy. The process involved 250 meetings where 4,000 participants generated 19,000 ideas. From these ideas, 49 visions were created for the site. In the Baltimore region, Mr. Longo conducted Vision 2030: Shaping the Region’s Future Together, a project of the Baltimore Metropolitan Council to build consensus on a clear, consistent and realistic vision of the Baltimore region’s future. Mr. Longo also has designed and facilitated visions and strategic plans for Metropolitan D.C., the Knoxville, Birmingham, and Kansas City regions, the cities of Houston and Myrtle Beach, Manatee County, Florida, and many others. Mr. Longo is the author of several books, including the “Learning from the USA” series that focuses on urban revitalization best practices in Baltimore, Seattle and Galveston. His latest book, “A Guide to Great American Public Places,” is a survey of 60 successful public places in this country.

“Mr. Longo is a highly regarded public speaker and has made frequent presentations to groups that include: the American Planning Association, the Congress for the New Urbanism, the Lincoln Institute of Land Policy, Rail~Volution, the International Making Cities Livable Conference, and the Smart Growth

Conference. Mr. Longo was the former chair of the Planners Task Force of the Congress for the New Urbanism (CNU).”

3) About “Community Teaching and Learning Centers”

a) A Special Form of Community Education

The concept of “Community Teaching and Learning Centers” (CTLCs) was created by the organization “Teachers Without Borders” (see www.teacherswithoutborders.org).

“Teachers Without Borders” defines CTLCs as follows:

“Community Teaching and Learning Centers (CTLCs) are local, practical education centers designed to be embraced by and emerge from the community itself. CTLCs use existing facilities and are often outfitted with libraries (such as dictionaries, references, educational material of general interest) and computers, face-to-face classrooms, and break-out spaces, used primarily to serve several essential functions for community sustainability.”

[From a “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website before it was revised to the current website content (At current TWB website, see <http://www.teacherswithoutborders.org/pages/community-teaching-and-learning-centers>)]

One of the primary goals of the “Teachers Without Borders” organization is to develop “teacher-leaders”. “Teachers Without Borders” helps create “teacher-leaders” in two ways:

“We help to grow teachers.... We identify talent and find a way of attracting, retaining, and supporting cohorts of teachers from all sectors of local communities. We find mentors for teachers to ensure subject-matter mastery and teaching technique, and then provide opportunities at our community teaching and learning centers for emerging teachers to practice. Our plan is to start from the ground up - incorporating local mentorship, distance learning, and community college offerings, then assist local talent in completion, at a high level, of course work at four-year schools. Most importantly, we provide a means of steady communication and feedback amongst cohorts of teaching talent.”

[From a “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website before it was revised to the current website content (At current TWB website, see <http://www.teacherswithoutborders.org/pages/who-we-are>)]

In the “1000Communities²” proposal (in section “About Community Visioning Initiatives”), the concept of “Community Teaching and Learning Centers” created by the “Teachers Without Borders” organization is expanded so that such local community points of entry function as

i) information centers, resource centers, and clearinghouses (on how residents can deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges)

ii) locations for workshops on topics suggested by the “Preliminary Survey” (for more about “Preliminary Surveys” see Section __, and Section 9 in the “1000Communities²” proposal), and as determined by the “Community Teaching and Learning Center” Coordinator

- iii) practice sites for the development of “teacher-leaders”
- iv) community centers for meetings, both planned and informal
- v) locations for “Community Journals” (which are collections of formal and informal input which may be contributed to or accessed at all times)
- vi) locations for “Final Version” Document submission (“voting”) as part of Steps 5, 6, 7, 9, and 10 of the 15 Step Community Visioning Initiative (for details on the 15 Steps, see Appendix G)
- vii) locations for “Summary of Community Visioning Initiative Process to Date” Notebooks (for latecomers, and as an information resource for media)
- viii) central locations for listings of employment opportunities
- ix) as a special form of community education, which can respond quickly (by changing the emphasis of workshop content) to new urgencies as they arise

b) On Establishing a Sufficient Number of CTLC’s for a successful Community Visioning Initiative

Establishing a sufficient number of “Community Teaching and Learning Centers” (CTLCs) is a critical prerequisite to going forward with Community Visioning Initiatives of the nature described in this proposal.

Identifying and securing somewhere near 20 public access buildings (per community area with a population of 50,000) which can function as described in the beginning of this section—and which can (thus) accommodate as many as 300 people per day (for more discussion of logistics, see Section 10, Part B. “Concerns relating to actual logistics” in the “1000Communities2” proposal, at <http://ipcricri.net/images/1000Communities2.pdf>) coming in and out at different times for an extended period of time (possibly a year, or more) (with associated parking considerations) (and with, hopefully, no rent associated with it)—narrows the possibilities to a point that probable requires a sense of shared urgency among many members of the community.

Unfortunately/fortunately, such a sense of shared urgency may be approaching. In the time period preceding such urgency, word may get around about Community Visioning Initiative approaches (such as the one described in this proposal) through the efforts of people who believe that we can overcome the challenges ahead, and are ready to go forward with “visioning” based “constellation of initiatives” approaches. Such people may, by their efforts in advance, prepare the way for a sufficient number of CTLCs to be established on short notice.

The importance of CTLCs is so critical that without a sufficient number of assurances relating to CTLCs as a prerequisite, there will be no advantage to initiating the 15 step Community Visioning Initiative process described in Appendix G.

c) The key role which can be played by philanthropy

Here it will be most appropriate to provide some inspiration relating to the key role which can be played by philanthropy, in both creating education systems, and in the “just transition” to more solution-

oriented employment: (Note: Specifically, this writer believes that if there was anything resembling the kind of philanthropy described below directed to the support of Community Visioning Initiatives, there could be much momentum generated towards resolving the challenges of our times.) Specifically, the work of Booker T. Washington (and of the philanthropists who recognized the value of the work he was doing) is most inspirational: (from the Wikipedia page for Booker T. Washington)

“Washington's philosophy and tireless work on education issues helped him enlist both the moral and substantial financial support of many major white philanthropists. He became friends with such self-made men as Standard Oil magnate Henry Huttleston Rogers; Sears, Roebuck and Company President Julius Rosenwald; and George Eastman, inventor and founder of Kodak. These individuals and many other wealthy men and women funded his causes, such as supporting Hampton and Tuskegee institutes. Each school was originally founded to produce teachers. However, graduates had often gone back to their local communities only to find precious few schools and educational resources to work with in the largely impoverished South.

“In 1912, Rosenwald provided funds for a pilot program involving six new small schools in rural Alabama, which were designed, constructed and opened in 1913 and 1914 and overseen by Tuskegee; the model proved successful. Rosenwald (then) established The Rosenwald Fund. The school building program was one of its largest programs. Using state-of-the-art architectural plans initially drawn by professors at Tuskegee Institute, the Rosenwald Fund spent over four million dollars to help build 4,977 schools, 217 teachers' homes, and 163 shop buildings in 883 counties in 15 states, from Maryland to Texas. The Rosenwald Fund used a system of matching grants, and black communities raised more than \$4.7 million to aid the construction. These schools became known as Rosenwald Schools. The local schools were a source of much community pride and were of priceless value to African-American families when poverty and segregation limited their children's chances. By 1932, the facilities could accommodate one third of all African American children in Southern U.S. schools.”

d) Accessibility and Affordability

This writer does understand that—initially—many of the “teacher-leaders” which are created by this approach will not be experts in the emerging knowledge areas and skill sets needed to respond to the challenges of our times. However, what they will be is very important: they will be links to expert resources, and will function as facilitators for integrating just such knowledge into the local community as quickly, and in as affordable a process, as possible.

As an illustration of the points “integrating knowledge quickly” and “affordable”, consider the following example. It is possible to imagine workshops being offered at a rate of \$100 for a 2 hour workshop (Note: This example is scaled for readers in the United States—cost and currency would vary according to the country participating), with the number of teachers and participants varying. An important part of cost accessibility is that as the number of participants goes up (towards a reasonable limit) the cost per participant would go down. Thus, if there were two teachers and 25 participants for a two hour workshop, the participants would only pay \$4 each, and the teachers would earn \$50 each. (And even the \$4 cost to the participants could be paid in “local currency”, if there was a process by which residents could earn “local currency” by making “solution-appropriate” investments of time, energy, and money in their local community.) (For more discussion of this “local currency” idea, see the section “Increasing Transformation Employment”).

4) Questionnaires—to bring forward perceptions and ideas, and to build consensus for collective action

[Note: The following introduction (in section 1 below) is from the IPCR document “39 Suggestions for Preliminary Survey Questions (in preparation for Community Visioning Initiatives)”. That document can be accessed at http://www.ipcri.net/39_Suggestions_for_Preliminary_Survey_Questions_2.pdf This document includes 10 questions from that (“39 Suggestions...” document (see Appendix L).]

a) Introduction

There are many important initiatives which are critical to overcoming the challenges of our times, but which are not quite “coming through the mist as much as they should be.” The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative can be very helpful in exactly these kinds of circumstances, as it encourages and facilitates a “constellation” of initiatives by which the best (*in the view of the participants using these processes*) associated with individual spiritual formation, interfaith peacebuilding, community revitalization, ecological sustainability, etc. can bubble up to the surface, be recognized as priorities, and therefore be brought forward as appropriate recipients of peoples’ time, energy, and money.

One of The Eight IPCR Concepts—and thus part of the “constellation” of initiatives referred to above—is “Questionnaires That Help Build Caring Communities”. The description of that concept offered in the document “Brief Descriptions of The Eight IPCR Concepts” begins as follows: “Organizations and communities of people often use questionnaires and surveys to identify problems and solutions, and to build consensus for collective action. Here are some example questions which are designed to be helpful in building caring communities. Hopefully, providing a few examples here will bring forth many more examples, and thus assist in building a resource base for future questionnaires that help build caring communities....”.

The questions listed in this section (of a larger “work-in-progress”) are, hopefully, the beginnings of a database of questions that can help build caring communities. In addition, this elemental part of community building can be also understood as one facet of a multi-faceted approach to peacebuilding and community revitalization.

However, the most significant role for these questions, from this writer’s point of view, is that they are a starting point for creating preliminary surveys, as preparation for Community Visioning Initiatives. The IPCR Initiative document “1000Communities²” is a 161 page proposal which advocates for Community Visioning Initiatives, “Community Teaching and Learning Centers”, and “sister community” relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times. Here is an excerpt from the “1000Communities²” document (from p. 47) which highlights the importance of preliminary surveys:

“This “1000Communities²” proposal includes a “15 Step Outline for a ‘1000Communities²’ Version of a Community” (see Section 6). Step 3 of that 15 step outline suggests creating a “Preliminary Survey”, and sending such a survey to 150 key leaders who represent a variety of fields of activity in the community. Responses and summarized results from “Preliminary Surveys” will provide:

- i) evidence from local leaders of the need for a re-assessment of current priorities
- ii) examples of local leaders stepping up in support of CVI
- iii) starting points for public discourse about the importance of the CVI
- iv) starting points for CTLC workshop content
- v) starting points for some participants as they develop “Final Version” decisions (“votes”) on challenges, solutions, and action plans
- vi) an aid to mobilizing a high level of interest in the CVI, and a high level of citizen participation
- vii) an initial sense of support or non-support for the “sister community” element (an action plan which is advocated by the “1000Communities²” proposal at <http://ipcri.net/images/1000Communities2.pdf> , see Section 5)”

This writer recognizes that many of the questions offered here as suggestions are not easily answered in one sitting. He also recognizes that although most of the key leaders (referred to above) could contribute something as a response to most of the questions, many residents of a given community may not contribute responses—either because it would take too much time, or because the questions explore complex subjects they are not familiar with. It is very important for communities of people to become aware that there are very difficult challenges ahead, and these difficult challenges will require some very significant learning experiences before we are able to resolve them. Refined questionnaires, with questions which most of the residents can quickly respond to, can be developed from responses to preliminary surveys like this one; and the refined questionnaires can do much to maximize citizen interest and participation in integrating new knowledge and new skill sets into the community.

People who explore the questions offered here carefully will also discover that there are many questions which touch on the subject of compassion for our fellow human beings. Many questionnaires are noteworthy for what they do not ask. This writer understands that it is now critical for us to access the storehouses of wisdom which have accumulated over the many centuries of human experience, and which have been confirmed again and again as essential to individual well-being and social harmony by the saints, sages, spiritual leaders, and sincere practitioners of all religious, spiritual, and moral “world views”. A significant number of the questions developed by The IPCR Initiative (see Appendix L.) have been created to assess whether other people see such a critical need, and explore how such a goal might be accomplished.

One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.

Questionnaires can be created which will accumulate information, suggestions, etc. that can be of critical importance in resolving the above mentioned “irony”—and which can provide the above mentioned assistance to the process of organizing and implementing Community Visioning Initiatives.

[Additional Note: The concept of “Questionnaires That Can Help Build Caring Communities”—one of The Eight IPCR Concepts—developed from this writer’s exploration of “Quaker Queries”. It is worth including in this section (in the “Additional Notes” part of this section—at the end of this section) a description of the IPCR Concept “Community Queries” (which eventually became “Questionnaires That Can...”), and some commentary on the subject of “Quaker Queries”. I highly recommend an exploration of “Quaker Queries”, especially for people who are interested in the use of questionnaires as a way of building consensus on difficult issues.]

b) On the subject of Quaker Queries

--Below is a description of the community building concept "Community Queries", a concept which eventually became "Questionnaires That Can Help Build Caring Communities" (this description is also in the Spring, 2005 issue of The IPCR Journal/Newsletter)

"Community Queries"— The concept of "Community Queries" introduced here is simply an expansion of the use of "Queries" by the Religious Society of Friends (Quakers), so that the concept applies to the geographical area sense— and the most inclusive sense— of the word "community." Here are 13 specific examples of "Queries" (from sets of queries used by three different Quaker meetings): 1) "Does our Meeting prepare all its members and children for worship, and for a life consistent with the principles of the Religious Society of Friends?" 2) "Do you seek employment consistent with your beliefs, and in service to society?" 3) "Do you weigh your day-to-day activities for their effect on peace-keeping, conflict resolution and the elimination of violence?" 4) "Are you concerned for responsible use of natural resources and their nurture for future generations?" 5) "Do you try to avoid wasteful consumption and pollution?" 6) "Are you working towards the removal of social injustices? Have you attempted to examine their causes objectively, and are you ready to abandon old prejudices and think again?" 7) "Do any of your interests, important though they may appear to you, unduly absorb your time and energy to the hindrance of your growth in grace and of your service to God?" 8) "Are you loyal to the truth?" 9) "When pressure is brought to bear upon you to lower your standards, are you prepared to resist it?" 10) "Do all adults and children in our Meeting receive our loving care and encouragement to share in the life of our Meeting, and to live as Friends?" 11) "When a members conduct or manner of living gives cause for concern, how does the Meeting respond?" 12) "Are you sufficiently conversant with our Christian Discipline to be able, when difficult questions arise, to consider them with an informed mind as well as a loving and tender spirit?" 13) "Do you live in accordance with your spiritual convictions?" Surely, it would be a valuable exercise for any local community, faith community, non-profit human service organization, etc. to invite all residents, members, employees, participants, etc. (as appropriate to the nature of the "community") to become involved in the process of creating a set of "Queries" for that particular community of people.

--Commentary on Quaker Queries from The Co-Intelligence Institute (see <http://www.co-intelligence.org/QuakerQueries.html>)

"Quaker's often use what they call "queries" as a focus for individual and collective meditation, consideration and prayer, guiding Quaker seekers in their search for greater love, truth, and insight into how to serve humanity and live lives that are consistent with their core values. Queries can be self-created, group-created, or drawn up by higher Quaker authorities as official mandates for exploration. They are intended as questions to live with and into.

"At a personal level, queries can be used to probe-in-depth into some issue or concern, seeking the truth of one's deepest responses to it. One writer suggests: 'The object is to stir the conscience in a gentle but firm way, and, through self-examination, to bring about a change or reaffirmation of attitude or behavior.' Others describe a query as a way of opening themselves to divine guidance and transformation which, as in other forms of earnest prayer, can happen instantly.

“In some Quaker traditions, the queries are used collectively to derive a ‘sense of the meeting’, an explicit, shared awareness of where they are at as a spiritual community of seekers, how they are doing, where they have fallen short, or where they want to go. Sometimes Quaker meetings (which are organizationally analogous to churches or temples) will share with each other their communal responses to the same queries, seeking support from each other in living more Quakerly lives.

“Queries, suggests Quaker lecturer Martin Grundy, can provide an occasion ‘to take a piece of the spiritual life of the meeting and examine -- wrestle with -- our understanding of how we are called to live as Friends,.... an opportunity for a corporate discipline of paying attention to what God might have to teach us.... Careful and prayerful consideration of the queries can be the outward structure that melds the individuals and the faith community.... [providing] a checklist of how faithful we are as we trudge along on our journey, together.’”

5) “Sister Community” Relationships

There are many communities in the world who *already have* “sister community” relationships with communities in other parts of the world. The organization most responsible for developing the idea of “sister communities”, and the organization most experienced in facilitating and monitoring such relationships, is “Sister Cities International”.

a) About “Sister Cities International”

i) “Our mission is to promote peace through mutual respect, understanding, and cooperation—one individual, one community at a time.”

ii) “Sister Cities International is a nonprofit citizen diplomacy network that creates and strengthens partnerships between U.S. and international communities. As an international membership organization, we officially certify, represent and support partnerships between U.S. cities, counties, states and similar jurisdictions in other countries.”

iii) “Sister Cities International” represents more than 2,500 communities in 134 countries around the world.”

iv) Key program areas include:

Sustainable Development, Youth and Education, Humanitarian Assistance, Arts and Culture

v) Services provided to communities joining “Sister Cities International” include:

eligibility to apply for seed grants to support sister city projects
access to information and how-to guides
mentoring and staff consultation

b) Ten Examples of Humanitarian Aid Which Can be Explored Through “Sister Community” Relationships

Developing a “sister community” relationship could be a way for diverse people in any particular community to find common ground. And common ground associated with increasing compassion for our fellow human beings would be a very special kind of common ground. Exploring these possibilities could make it possible for many people to have first hand experience with “... bringing to the fore what

is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it.”

Unfortunately, there are often so many different activities which require our attention during the course of any given day, and many of us simply do not know how much good can be done in the world with even minor contributions of time, energy, and money. Here this writer will provide the names of ten organizations—and some details about their work—which should be sufficient to bring to mind how many different kinds of positive outcomes could result from such “sister community” relationships.

The Ten Organizations (or concepts) are:

Red Cross and Red Crescent Societies
World Food Programme
Doctors Without Borders
TeachersWithout Borders
S3IDF (Small-Scale Sustainable Infrastructure Development Fund)
IDE (International Development Enterprises)
Heifer International
Peace Corps
Foreign Student Exchange
Adopt a Child (“Sponsoring” a child)

--The Red Cross and Red Crescent Societies

From the “What We Do” section of the International Federation of The Red Cross and Red Crescent Societies website, see the subsection “Introduction” and then “Principles and Values” (at <http://www.ifrc.org/what/values/principles/index.asp>) (Confirmed June 12, 2008)

There are many circumstances in communities around the world where the activity of the Red Cross and Red Crescent Societies is essential for communities of people to survive natural—or human-created—disasters, and progress to a recovery and rebuilding phase. Here, this writer offers a glimpse into the Seven Fundamental Principles of Red Cross and Red Crescent Societies, so that readers can appreciate some of the lessons these organizations have learned from many experiences in the field of humanitarian aid.

The Seven Fundamental Principles--“Proclaimed in Vienna in 1965, the seven Fundamental Principles bond together the National Red Cross and Red Crescent Societies, The International Committee of the Red Cross and the International Federation of the Red Cross and Red Crescent Societies. They guarantee the continuity of the Red Cross Red Crescent Movement and its humanitarian work.

“[The Seven Fundamental Principles (of the Red Cross and Red Crescent Societies)]:

- a) Humanity-- “... endeavours... to prevent and alleviate human suffering wherever it may be found.”
- b) Impartiality—“It makes no discrimination as to nationality, race, religious beliefs, class or political opinions.”

- c) Neutrality—“... the Movement may not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.”
- d) Independence—“... must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the Movement.”
- e) Voluntary Service—“... not prompted in any manner by desire for gain.”
- f) Unity—“There can only be one Red Cross or one Red Crescent Society in any one country.”
- g) Universality—“... all Societies have equal status and share equal responsibilities and duties in helping each other....”

--World Food Programme

[From the “What We Do”/”Introduction” section of the “World Food Programme website (see http://www.wfp.org/operations/introduction/index.asp?section=5&sub_section=1)] (See paragraph 1) (Confirmed June 12, 2008)

“WFP is the United Nations frontline agency in the fight against global hunger.”

“Operations aim to:

- Save lives in refugee crises and other emergencies
- Improve nutrition and quality of life of world's most vulnerable people at critical times in their lives
- Enable development by (a) helping people build assets that benefit them directly; (b) promoting the self-reliance of poor people and communities”

[From the “Who We Are”/”Facts and Figures”/”WFP by Numbers” section of the World Food Programme” website (see http://www.wfp.org/aboutwfp/facts/2006/index.asp?section=1&sub_section=5)] (Confirmed June 12, 2008)

“WFP by Numbers

Food distributed to 87.8 million of the poorest people in the world, including 58.8 children
 24.3 million people in development programmes
 63.4 million beneficiaries in emergency and protracted relief and recovery operations

Operations in 78 countries around the world

90 relief operations
 22 development projects and 34 country programmes in 48 countries

Total food distributed: 4 million tonnes¹

26 percent for emergency operations
 18 percent for development projects
 2 million tons contributed in kind
 2 million tons purchased with cash - valued at US\$600 million, of which 77 percent was procured in developing countries

Direct expenditure: US\$ 2.9 billion

Total number of employees: 10,587
92 percent of WFP staff serve in the field”

--Doctors Without Borders

From the website of “Doctors Without Borders”. In the “About Us” section, see the “Activities” subsection (at <http://www.doctorswithoutborders.org/aboutus/activities.cfm>) (paragraphs 1, 2 and 3) (Confirmed June 12, 2008) (Note: Text in parenthesis in paragraph 1 above is from the “About Us” section, “History and Principles” subsection (at <http://www.doctorswithoutborders.org/aboutus/>) (Confirmed June 12, 2008)

“Every year, Doctors Without Borders/Médecins Sans Frontières (MSF) provides emergency medical care to millions of people caught in crises in nearly 60 countries around the world. MSF provides assistance when catastrophic events — such as armed conflict, epidemics, malnutrition, or natural disasters — overwhelm local health systems. MSF also assists people who face discrimination or neglect from their local health systems or when populations are otherwise excluded from health care.... (MSF provides independent, impartial assistance to those most in need. MSF reserves the right to speak out to bring attention to neglected crises, to challenge inadequacies or abuse of the aid system, and to advocate for improved medical treatments and protocols.)

“On any given day, close to 27,000 doctors, nurses, logisticians, water-and-sanitation experts, administrators, and other qualified professionals can be found providing medical care in international teams made up of local MSF aid workers and their colleagues from around the world.”

“In 2006, MSF medical teams gave more than 9 million outpatient consultations; hospitalized almost half a million patients; delivered 99,000 babies; treated 1.8 million people for malaria; treated 150,000 malnourished children; provided 100,000 people living with HIV/AIDS with antiretroviral therapy; vaccinated 1.8 million people against meningitis; and conducted 64,000 surgeries.”

From the website of www.Nobelprize.org Located by a search using the search terms “Nobel Peace Prize 1999—Presentation Speech”. (at <http://search.nobelprize.org/search/nobel/?q=Nobel+Peace+Prize+1999&i=en&x=8&y=10>) (paragraphs 1 and 2) (Confirmed June 12, 2008)

In 1999, Doctors Without Borders received the Nobel Peace Prize.

[Below is an excerpt from the “Presentation Speech” for the 1999 Nobel Peace Prize]

“Few aims can be more praiseworthy than to combat suffering: to help those in the most desperate situations, whatever their race and wherever they may be, to return to a dignified life. Some persons even have the necessary strength and drive to live up to this ideal. We welcome a few of them today. We do so humbly, recognising that they are representatives of a much greater number of self-sacrificing men and women all over the world. Our thoughts go not least to those who, at this very moment, are

working under the most difficult conditions, often putting their own lives at risk, in scenes of the profoundest suffering and degradation.

“Every year, Médecins Sans Frontières send out over 2,500 doctors, nurses and other professional helpers to more than 80 countries, where they co-operate with a good 15,000 local personnel. They go where need, suffering and hopelessness are greatest, indeed often catastrophic in nature, regardless of whether the catastrophes are human or natural in origin. We find them in the world's countless refugee camps, as well as among Chinese peasants, Russian prisoners, or the western world's modern city slum-dwellers. They are present in large numbers in Africa – the forgotten continent.”

--Teachers Without Borders

i) “... a huge shortage of qualified teachers....”

From the “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website (see <http://www.teacherswithoutborders.org/html/ctlc.html>)
In the subsection “A Compelling Need”, from Bullet #5. (Confirmed May 12, 2008)

“The United Nations reports a huge shortage of qualified teachers, as well as a demonstrated need for accelerated, practical, local, contemporary, and flexible teacher education.”

From the “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website (see <http://www.teacherswithoutborders.org/html/ctlc.html>)
In the subsection “A Compelling Need”, from Bullet #4. (Confirmed May 12, 2008)

“... evidence shows that those countries with the desire to "leapfrog" over the gaps they face in terms of skills, knowledge, and educational opportunities cannot grow through acquisition of equipment alone. They must have consistent and practical teacher training, along with the support of national education strategies.”

ii) “... the building of teacher leaders.”

From the “About Us” section of the “Teachers Without Borders” website. (See http://www.teacherswithoutborders.org/html/who_we_are.html#missiontwb) In the subsection “Mission”, see paragraph 1 (Confirmed June 12, 2008)

“Teachers Without Borders is a non-profit (501c3), non-denominational, international NGO founded in 2000, devoted to closing the education divide through teacher professional development and community education. Our organization focuses on the building of teacher leaders.” [From the “Mission” section of “Teachers Without Borders”

From the “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website (see <http://www.teacherswithoutborders.org/html/ctlc.html>) In the subsection “Example Programs”, see “Teachers Education”, paragraphs 1 and 2 (Confirmed May 12, 2008)

“We help to grow teachers. Click on the link to read more about our [Certificate of Teaching Mastery](#) program. We identify talent and find a way of attracting, retaining, and supporting cohorts of teachers

from all sectors of local communities. We find mentors for teachers to ensure subject-matter mastery and teaching technique, and then provide opportunities at our community teaching and learning centers for emerging teachers to practice. Our plan is to start from the ground up - incorporating local mentorship, distance learning, and community college offerings, then assist local talent in completion, at a high level, of course work at four-year schools. Most importantly, we provide a means of steady communication and feedback amongst cohorts of teaching talent.”

iii) One of the key resources “Teachers Without Borders” has created to assist with teacher development and community education is “Community Teaching and Learning Centers”.

From the “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website (see <http://www.teacherswithoutborders.org/html/ctlc.html>)

In “Definition” section, see paragraphs 1 and 3 (Confirmed May 12, 2008)

“Community Teaching and Learning Centers (CTLCs) are local, practical education centers designed to be embraced by and emerge from the community itself. CTLCs use existing facilities and are often outfitted with libraries (such as dictionaries, references, educational material of general interest) and computers, face-to-face classrooms, and break-out spaces, used primarily to serve several essential functions for community sustainability.”

From the “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website (see <http://www.teacherswithoutborders.org/html/ctlc.html>) In the subsection “Definition”, from paragraph 6. (Confirmed May 12, 2008)

How can they be created?

“Teachers Without Borders provides the following value:

- Community organizing and readiness
- Approvals by government
- Site selection & development
- Coordination of building retrofitting
- Mutual plan, with CTLC leaders, for Internet access (with local and international investors)
- Computer acquisition, shipping
- Support for In-country leadership & CTLC Local Advisory Council
- Extensive programs (educational, health, IT)
- Organization and design of service delivery
- Community Outreach”

--Small Scale Sustainable Infrastructure Development Fund (S³IDF)

From the homepage of S³IDF at <http://www.s3idf.org/index.asp> (Confirmed June 12, 2008)

“Our Mission: To Foster pro-poor, pro-environment small scale infrastructure services with financing and technical assistance for electricity, water, sanitation and other infrastructure (eg. transport and telecommunications) - necessary for poverty alleviation.”

From the “About Us” section of the S³IDF website, see the subsection “Our Approach” (at <http://www.s3idf.org/dynamic/about-ourapproach.htm>) (Confirmed June 12, 2008)

“Our Approach:

We term our framework as the “Social Merchant Bank” where technical, financial and business support are linked and integrated for infrastructure enterprise development.

From the “About Us” section of the S³IDF website, see the subsection “Our Approach” (at <http://www.s3idf.org/dynamic/about-ourapproach.htm>) (Confirmed June 12, 2008)

S³IDF’s approach:

S³IDF produces a stream of fundable small scale for-profit utilities.

- The business must be explicitly pro-poor, cost-effective, environmentally responsible, and can demonstrate a high degree of replicability.
- Implements its mission by partnering with one or more other local entities, such as NGOs, technology suppliers, academic organizations, and financial institutions.
- Provides technology/know-how, financing and business development assistance to small/fledgling entrepreneurs and community NGOs seeking to sell infrastructural services (water, energy, sanitation, transport, information) to India’s urban and rural poor
- The poor benefit in multiple ways, either as infrastructure owner/operators/employees and as consumers of infrastructure services”

--International Development Enterprises (IDE)

From the “About Us” section of the IDE website. (see <http://www.ideorg.org/aboutus/index.php>) (paragraph 1) (Confirmed June 12, 2008)

“IDE is a unique international non-profit organization that has been helping poor farmers in developing countries escape poverty for more than 25 years. IDE has pioneered a market-based approach that has enabled millions to permanently escape poverty. IDE uses business principles to facilitate unsubsidized market systems in which the rural poor can participate effectively as micro-entrepreneurs and earn income. In this way, our programs create an environment that helps small farmers progress from subsistence agriculture to commercial farming, beginning an upward spiral out of chronic deprivation and vulnerability.”

From the “About Us” section of the IDE website. See the subsection “Our Method” (at <http://www.ideorg.org/method/index.php>) (Confirmed June 12, 2008)

“Our Method

Based on more than 25 years of experience, IDE has developed a unique market-oriented development model that benefits the rural poor. We call it **PRISM** (Poverty Reduction through Irrigation and Smallholder Markets). Using PRISM, IDE integrates small farm households into markets and develops sustainable businesses that reduce rural poverty worldwide.

PRISM is a set of tools that are used to develop an understanding of the unique situation of the rural poor and to create sustainable solutions to rural poverty. PRISM creates opportunities for increased income by:

- Creating networks of small enterprises to provide agricultural supplies needed by poor farmers
- Working with small farmers to improve productivity
- Linking small farm families to markets for their produce

The Prism Approach

PRISM develops enterprises that improve small farm productivity and integrate small farms into markets for effective and sustainable poverty reduction.

PRISM Principles

The goal of PRISM is to enable the rural poor to transform their knowledge and skills into sustainable income through effective market participation and improve the natural resource base upon which their livelihoods depend. PRISM projects are guided by the following principles:

Benefits reach the disadvantaged. PRISM is responsive to the unique opportunities and needs of the rural poor and emphasizes listening to, learning from and benefiting those who live in extreme poverty. Water control is key to income generation. Innovative low cost small scale irrigation technologies enable farmers to access, store and control water in order to increase farm income, improve water use efficiency, and reduce labor.

PRISM projects are entrepreneurial. Creative market driven, business oriented solutions to poverty enable the rural poor to participate fully in markets, creating efficient, sustainable income increases. PRISM emphasizes sustainable resource management. The PRISM approach preserves the soil, land and water resources upon which both the rural poor and the market depend.”

--Heifer International

From <http://www.heifer.org/ourwork/approach/long-term-solutions>

i) Long-Term Solutions

“Heifer applauds and supports the vital work of disaster relief organizations. However, in times of crisis, it's important to explain the distinction between their work and ours.

“Ever since our founder, Dan West, came up with the phrase "not a cup, but a cow," Heifer's approach to providing global assistance to struggling countries has been characterized by long-term development, rather than short-term relief.

“After immediate needs for food, shelter, fresh water, clothing and other necessities have been met, Heifer works within communities to empower disaster survivors with the economic means - such as livestock, training and other resources - to rebuild their families, their neighborhoods and their hope for sustainable futures.

“Here's how Heifer International works:

A typical Heifer project consists of three essential components:

- Livestock and other material goods
- Training and extension work
- Organizational development, which includes planning, management, record keeping, passing on the gift, reporting and evaluation.

“And it all starts in a community.

“First, Heifer helps a community group analyze their situation. They ask: What do we need? What are our resources? What would we like to see happen in five years? Then, they plan specific activities to achieve their goals.

“At this point, the Heifer "living loan" becomes reality. Farmers prepare for their animals by participating in training sessions, building sheds, and sometimes planting trees and grasses.

“Then the livestock arrives – bringing with it the benefits of milk, wool, draft power, eggs and offspring to pass on to another farmer.

“Finally, the group evaluates its progress, and the cycle repeats as the group moves to more and more ambitious goals, each time visioning, deciding, implementing and reflecting.

“Every family and community that receives assistance promises to repay their living loan by donating one or more of their animal's offspring to another family in need. This practice of "Passing on the Gift" ensures project sustainability, develops community and enhances self-esteem by allowing project partners to become donors.

“This is Heifer's sustainable approach to ending hunger and poverty – one family, one animal at a time. It's not temporary relief. It's not a handout. It's securing a future with generations of people who have hope, health and dignity.”

ii) Gift Catalog

From <https://secure1.heifer.org/gift-catalog>

“Choose a meaningful gift to give a loved one and help children and families around the world receive training and animal gifts that help them become self-reliant.

“After completing the checkout process, you will have the opportunity to create personalized cards to tell your friends and family that you have honored them with a Heifer gift.”

--Peace Corps

From the website of The Peace Corps, see the section “What is the Peace Corps?” (at <http://www.peacecorps.gov/index.cfm?shell=learn.whatispc>) (paragraphs 1 and 2) [Note: Statistics

from the “Fast Facts” subsection of “What is the Peace Corps?” (at <http://www.peacecorps.gov/index.cfm?shell=learn.whatispc.fastfacts>) (see “Volunteers by Work Area”]
(Both confirmed June 12, 2008)

“The Peace Corps traces its roots and mission to 1960, when then-Senator John F. Kennedy challenged students at the University of Michigan to serve their country in the cause of peace by living and working in developing countries. From that inspiration grew an agency of the federal government devoted to world peace and friendship.”

“Since that time, more than 190,000 Peace Corps Volunteers have been invited by 139 host countries to work... (in the following areas): Education (36%), Health & HIV/AIDS (21%), Business (15%), Environment (14%), Youth (6%), Agriculture (5%), Other (4%).”

--Foreign Student Exchange

i) About foreign student exchange programs

From keyword “student exchange program” at Wikipedia, the free encyclopedia (at http://en.wikipedia.org/wiki/Student_exchange_program) (See paragraphs 1-4) (Confirmed June 12, 2008)

“A student exchange program is a program in which a student, typically in secondary or higher education, chooses to live in a foreign country to learn, among other things, language and culture. These programs are sometimes called ‘exchanges’ because different countries participating in the program will trade off students in this fashion. The students live with a host family, who are usually unpaid volunteers and often have a child the same age who has also participated (or is going to participate) in a similar exchange program. Host families are usually vetted by the organization coordinating the program.

“Student exchanges became popular after World War II. And have the aim of helping to increase the participants’ understanding and tolerance of other cultures, as well as improving their language skills and broadening their social horizons.

“An exchange student typically stays in the host country for a relatively short period of time, often 6 to 10 months, in contrast to international students or those on study abroad programs which often last for several years.

“These programs are available from a number of service-oriented organizations, such as World Education Program (WEP) Australia, Rotary International’s Rotary Youth Exchange, EF Foundation for Foreign Study, AFS, AIFS’s Academic Year in America and Youth for Understanding, which offer some of the more popular programs. Other organizations such as the Kiwanis or Lions Clubs offer similar programs.”

ii) About the “American Foreign Exchange” (AFS) program

From the “What We Do” section of the AFS website (at http://www.afs.org/afs_or/view/what_we_do) (Confirmed June 12, 2008)

AFS Statement of Purpose

“AFS is an international, voluntary, non-governmental, non-profit organization that provides intercultural learning opportunities to help people develop the knowledge, skills and understanding needed to create a more just and peaceful world.”

The Core Values and Attributes of AFS

“AFS enables people to act as responsible global citizens working for peace and understanding in a diverse world. It acknowledges that peace is a dynamic concept threatened by injustice, inequity and intolerance.

“AFS seeks to affirm faith in the dignity and worth of every human being and of all nations and cultures. It encourages respect for human rights and fundamental freedoms without distinction as to race, sex, language, religion, or social status.

“AFS activities are based on our core values of dignity, respect for differences, harmony, sensitivity and tolerance.”

“Adopted at the 1993 World Congress.”

--Sponsor a Child—Children International

i) What is Children International?

From the “Who We Are” section of the Children International website. (See <http://www.children.org/whoWeAre.asp?sid=B8D60C04-224E-4707-8B70-778EC0637971>) (paragraphs 1) Confirmed June 13, 2008)

“Children International is a nonprofit humanitarian organization dedicated to bettering the lives of impoverished children, their families and communities.”

From the “Who We Are” section of the Children International website, in the subsection “Vision, Mission, Goal” (at <http://www.children.org/vision.asp?sid=B8D60C04-224E-4707-8B70-778EC0637971>) (see “Our Mission”) (Confirmed June 13, 2008)

“Our mission is to help children living in dire poverty. This is accomplished through the generosity of our contributors, by providing children with program benefits and services that meet basic needs, enhance their self-esteem and raise their physical and educational levels in a meaningful, lasting way.”

ii) What does Children International do?

From the “How We Help Children” section of the Children International website. (See <http://www.children.org/howHelpChildren.asp?sid=B8D60C04-224E-4707-8B70-778EC0637971>) (paragraphs 5 and 4) (Confirmed June 13, 2008)

“Our child sponsorship solution provides health, educational, material and emotional aid to impoverished children around the world. One-to-one sponsorship gives these children the opportunity to break the cycle of poverty and realize their full potential.” (from the “How Help Children” section)

“Children International’s sponsorship program is designed to impact every aspect of a child’s life. Sponsored children receive life-changing assistance in areas such as:

- Health: access to a doctor, dentist, vaccines and medicine
- Education: uniforms and school supplies, tuition assistance, access to libraries and tutoring
- Nutrition: malnutrition screenings, feeding programs, supplements and educational programs
- Youth: peer education, leadership and vocational training, civic responsibility and scholarships
- Community: clean water incentives, sanitary latrines and micro-enterprise programs and grants
- Family: household items, income-generation programs, educational opportunities and housing and home-repair assistance”

From the “Who We Are” section of the Children International website. (See <http://www.children.org/whoWeAre.asp?sid=B8D60C04-224E-4707-8B70-778EC0637971>) (paragraphs 3) Confirmed June 13, 2008)

“Our sponsorship program currently benefits more than 300,000 impoverished children and their families in 11 countries throughout the world, including Chile, Colombia, the Dominican Republic, Ecuador, Guatemala, Honduras, India, Mexico, the Philippines, the United States and Zambia.”

iii) Realities of Poverty

From the “How We Help Children” section of the Children International website. See the subsection “Realities of Poverty” (at <http://www.children.org/poverty.asp?sid=B8D60C04-224E-4707-8B70-778EC0637971>) (Confirmed June 13, 2008)

“Poverty is reality for nearly half the world’s population... almost 3 billion people. And of those, more than 1 billion subsist on less than \$1 a day. For them, the smallest of necessities seem impossible— every step is another obstacle to overcome. The statistics tell a grim tale:

- Poverty is the number one killer in the world (British Medical Journal)
- Six-million children under the age of 5 die as a result of hunger and malnutrition every year (UNICEF)
- More than 1 billion people live without access to safe drinking water (UN)
- More than 78% of the developing world's urban population now lives in slums (UN-Habitat)"

6) Estimated Costs associated with Community Visioning Initiatives and workshops at "Community Teaching and Learning Centers"

a) An Approximate High End Cost Estimate

Here is an approximate high end cost estimate for a "1000Communities²" version of a Community Visioning Initiative

which follows much of the 15 step outline in Appendix G
 which makes extensive use of Preliminary Surveys to 150 or more key leaders in the community
 which creates and supports a significant number of associated "Community Teaching and Learning Centers" for ongoing workshops, meetings, etc.
 which features extensive reliance on volunteer activity and wide ranging collaboration with multiple organizations
 and which is time-intensive (lasting from 1-1½ years before the final results are published)

Approximate High End Cost Estimate = \$3,000,000 (3 million dollars) (for each Community Visioning Initiative)

b) Workshops—from the "Workshops" section at the website of The IPCR Initiative (at www.ipcri.net)

Facilitation services for IPCR Concept Introduction Workshops are currently offered at a rate of \$75 for a 1 hour workshop, \$100 for a 2 hour workshop, \$150 for a 3 hour workshop, and \$200 for a 4 hour workshop. (Longer workshops will have greater variety in the approach, structure, and content of the workshop experience.) The recommended number of participants for workshops is 5-15 people. [i.e. If there are 5 participants for a 2 hour workshop, the cost would be \$20 for each participant; if there are 15 participants for a 3 hour workshop, the cost would be \$10 for each participant.] Currently, the only person facilitating IPCR Workshops is the founder of the IPCR Initiative, Stefan Pasti. (For more information about Stefan Pasti, see "IPCR Staff" in "About the IPCR Initiative")

The cost, suggested by The IPCR Initiative, of attending such workshops is deliberately affordable, to emphasize and encourage frequent participation. Participating in IPCR Concept Introduction Workshops at intervals—over a long period of time—will make it possible for participants to come in contact with a valuable variety of input and experiences relating not only to the IPCR concepts, but to many other efforts associated with peacebuilding, community revitalization, and ecological sustainability.

7) If the trend towards urbanization was reversed...

a) Transition: From 52 megacities to 13,000 ecologically sustainable cities and towns

Although most of the expert practitioners associated with planning, funding, and building the communities of the future still seem to believe that cities with a population over 1 million can be made into models of sustainability, this writer believes it is time to ask about “return on investment” and “diminishing returns” associated with mega-cities. We are about to enter a time when many countries will have serious public debt. And, at the same time as there is a need for people in a significant number of countries to adjust to austerity measures associated with public debt, there is also a need for many people in a significant number of countries to reduce indiscriminate consumption as a response to the implications of global warming, peak oil, peak water, and depletion of many other key resources—and to conserve resources for emergency assistance. There is an especially urgent need for widespread solution-oriented activity which decreases carbon emissions. It seems to this writer that at such a time as this there would be decreasing return on investment (“diminishing returns”) to the prospect of further investment in mega-cities: which have such complex infrastructures to maintain; which require extensive transport of food and other products, and extensive transport and processing of water and waste; where there is such extensive waste of food products [“London throws away 560,000 tonnes of food (per year) as waste.” (see p. 81)]; and where the prospects of reducing indiscriminate consumption, reducing carbon emissions, and achieving “zero waste” are least likely to occur.

There are alternatives. There is significant evidence in this (“Multi-Angle”) document which is pointing towards a need for:

- i) a significant increase of people who can find contentment and quality of life while consuming much less material goods and ecological services
- ii) a significant reversal of the trend toward urbanization, and a transition towards ecologically sustainable cities, towns, and villages
- iii) a significant increase in initiatives working to redesign the human economy so that such activity supports the sustainability of associated ecosystems, instead of damaging the sustainability of such ecosystems

Such evidence brings forward the questions:

- a) If there might be a significant reversal of the urbanization trend, and a significant transition from megacities to ecologically sustainable cities, towns, and villages, what would such a transition look like?
- b) Given that there are now more than 400 cities with over 1 million people, how many ecologically sustainable cities and towns of 50,000 people would need to be created if there was a significant migration from megacities to small cities and townships?

The following “thought experiment” is one exploration of what such a transition might look like.

Since there are approximately 19 cities with over 10 million people, and approximately 33 cities with between 5 million and 10 million people, the calculations must be an estimate. Here is an estimate: if all the 400 cities (above) had only 1 million people exactly, an estimate would be 8,000 townships of 50,000

(400 million divided by 50,000). If we add to the 400 million figure an additional 50 cities with 5 million (as a rough method of approximating the total number of people living in mega-cities), we arrive at 650 million. 650 million divided by 50,000 = 13,000. 13,000 ecologically sustainable cities and towns (which “rounds up” to an even higher number if many small villages make up many of the 50,000 segments). In circumstances of an urgent need to adjust to austerity measures associated with public debt; to reduce indiscriminate consumption as a response to the implications of global warming, peak oil, peak water, and the depletion of many other key resources—and to conserve resources for emergency assistance; and in circumstances which require reducing extensive transport of food and other products, reducing extensive transport and processing of waste, reducing indiscriminate consumption, reducing carbon emissions, and approximating “zero waste”—which model of human settlements are more likely to be sustainable: 52 megacities with populations of 5 million people or more... or 13,000 ecologically sustainable cities and towns?

This writer has estimated (roughly) that one Community Visioning Initiative (involving a community of 50,000 for 18 months time) would cost \$3 million. One of the central proposals of The IPCR Initiative advocates for collaboration on carrying out 1000 Community Visioning Initiatives as a way of creating many positive multiplier effects and much solution-oriented momentum. If one Community Visioning Initiative would cost \$3 million, 1000 Community Visioning Initiatives would cost \$3 billion. \$3 billion is only .2% of \$1,531 billion (total military expenditures worldwide in one year--2009).

This writer believes that a significant majority of people surveyed would say they support shifting .2% of public funds currently used for military preparedness and military interventions to carry out 1000 Community Visioning Initiatives. Why does he believe this? Because it is clear to him—and he believes it would be clear to most other people, if they were asked—that such a shift would be a transition from patterns of investment which in only limited ways represent solutions to the challenges highlighted in this document (Appendix A) to patterns of investment which in many ways represent solutions to these challenges. It is also clear to this writer that such a shift in what people consider “valuable and important” would result in an exponential increase in people who are doing more thoughtful evaluations of the impact and consequences of their investments of time, energy, and money. And it is clear that similar shifts from patterns of investment associated with greed, corruption, and overindulgence could be achieved so that more time, energy, and money could be rechanneled towards even more solution-oriented activity. If many readers of this paper were to be in agreement with this writer that the 10 difficult challenges cited in Appendix A were all critical challenges, and that all of us have important responsibilities associated with resolving these challenges in the months and years ahead—such unprecedented shifts and transitions could be carried out. The IPCR Initiative is convinced that these shifts and transitions will eventually and inevitably happen. So The IPCR Initiative has been developing documents and resources which are relevant and practical for accomplishing those shifts and transitions. There are many other organizations and initiatives working along similar lines. This “Multi-Angle” document highlights only a small fraction of organizations and initiatives working along similar lines.

b) A brief review of the “constellation of initiatives” approach of The IPCR Initiative

A central focus of The IPCR Initiative is its advocacy for a combination Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times.

The following 6 point list outlines steps towards solution-oriented momentum which can be taken by communities in almost every variety of circumstances.

i) Community Visioning Initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps. One of the main goals of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity.

ii) The concept of “Community Teaching and Learning Centers” (created by the “Teachers Without Borders” organization) (modified and expanded by the IPCR Initiative) is about creating many local community points of entry which function as information and resource centers, locations for workshops, and locations for the training of “teacher-leaders”.

iii) Results from well thought out preliminary surveys (circulated to at least 150 key leaders from a significant variety of fields of activity in the community) can help residents appreciate the need for a Community Visioning Initiative, and for “Community Teaching and Learning Centers” (CTLCs).

iv) The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc) to demonstrate their interest in the welfare of the community—by offering and facilitating new employment opportunities... and thus assisting with a just transition to patterns of investment which in many ways represent solutions to prioritized challenges.

v) “Sister Community” relationships provide whole communities with ways of assisting with such a “just transition”. In addition, such community-to-community relationships can create service work capable of uniting diverse communities of people, and a variety of opportunities for person-to-person peacebuilding (as can be seen by the work of organizations such as “Sister Cities International”.)

vi) This “constellation of initiatives” approach to maximizing citizen participation in solution-oriented activity also provides many opportunities for local newspapers to contribute very valuable community services (for example: making preliminary survey results accessible; highlighting inspirational role models and initiatives associated with the 117 related fields of activity; describing workshop activity in the “Community Teaching and Learning Centers”; reporting on the planning, implementation, evaluation, and follow up stages associated with Community Visioning Initiatives; etc).

c) The “1000Communities²” proposal

The “1000Communities²” proposal advocates organizing and implementing Community Visioning Initiatives in 1000 communities (communities—or segments of rural areas, towns, or cities—with populations of 50,000 or less) around the world

i) which are time-intensive, lasting even as much as 1½ years (18 months), so as to give as much importance to developing a close-knit community as it does to

--accumulating and integrating the knowledge and skill sets necessary for the highest percentage of people to act wisely in response to challenges identified as priority challenges

--helping people to deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges

--assisting with outreach, partnership formation, and development of service capacity for a significant

number of already existing (or forming) organizations, businesses, institutions, and government agencies

--helping to build a high level of consensus for specific action plans, which will help inspire additional support from people, businesses, organizations, institutions, and government agencies with significant resources

ii) which expand on the concept of “Community Teaching and Learning Centers” (created by the “Teachers Without Borders” organization) so that such local community points of entry function as information clearinghouses, meeting locations, education centers for ongoing workshops (on a broad range of topics related to the Community Visioning Process, and building the local knowledge base), practice sites for developing “teacher-leaders”, a location for an ongoing “informal” “Community Journal”, a location for listing employment opportunities—and so that such community centers provide a means of responding quickly (by changing the emphasis of workshop content) to new urgencies as they arise

iii) and which suggest—as a way of emphasizing the need for an exponential increase in compassion for our fellow human beings—that communities (with the resources to do so) enter into “sister community”² relationships with communities in other countries where there has been well documented calls for assistance with basic human needs.

B. Transition Ahead: Less Megacities and More Ecologically Sustainable Towns and Villages

1) Worldwatch

From the website of the Worldwatch Institute (see <http://www.worldwatch.org/node/5971>)

“OPINION: Letter to the New Education Secretary
by Worldwatch Institute on December 19, 2008

“Worldwatch is pleased to publish this open letter from prominent education and environment leaders urging the newly nominated U.S. education secretary, Arne Duncan, to consider the importance of education in carrying out President-elect Barack Obama’s environmental agenda.

“Dear Mr. Duncan:

“Congratulations on your nomination. As you jump into the daunting challenge of bolstering our sagging education system, you have a powerful opportunity presented by the need to create a carbon-free economy.

“President-elect Obama has astutely perceived the linkages between climate change, economic stimulus, energy security, and job training by declaring that the transition to a green economy is his “top priority.” The missing link in this system is the critical role that education can play in quickly making the green economy a reality....

“Transforming our nation's economic, energy, and environmental systems to move toward a green economy will require a level of expertise, innovation, and cooperative effort unseen since the 1940s to meet the challenges involved.

“Creating millions of new green jobs through targeted investment and spending is one thing; filling those jobs with qualified candidates is quite another thing. This transition will require a massive job training (and retraining) effort on the part of business, government, and education if it is to scale up quickly.

“But green manufacturing workforce development programs are just one piece of what is needed; the green economy will not be driven by manufacturing workers alone. Architects, engineers, planners, scientists, business managers, financial experts, lawyers, entrepreneurs, political leaders, resource managers, and many others, as well as workers - not to mention environmentally literate consumers - will all be needed to drive the green economy.

“American workers, managers, and professionals at all levels and in all sectors must understand the foundations of a green economy as represented in leading environmental and sustainability education programs. These foundations call for redesigning the human economy to emulate nature: operating on renewable energy, creating a circular production economy in which the concept of “waste” is eliminated because all waste products are raw materials or nutrients for the industrial economy, and managing human activities in a way that uses natural resources only at the rate that they can self-regenerate (the ideas embodied in sustainable forestry, fishing, and agriculture).

“To produce such a literate workforce and citizenry, America will need to make major new investments in our educational systems to implement the green economy...” (end of quote from Worldwatch Institute letter)

2) Transition Movement

i) From the “Why Transition?” section (at <http://www.transitionus.org/why-transition>)

Why Transition?

“We are living in an age of unprecedented change, with a number of crises converging. Climate change, global economic instability, overpopulation, erosion of community, declining biodiversity, and resource wars, have all stemmed from the availability of cheap, non-renewable fossil fuels. Global oil, gas and coal production is predicted to irreversibly decline in the next 10 to 20 years, and severe climate changes are already taking effect around the world. The coming shocks are likely to be catastrophic if we do not prepare. As Richard Heinberg states:

Our central survival task for the decades ahead, as individuals and as a species, must be to make a transition away from the use of fossil fuels – and to do this as peacefully, equitably, and intelligently as possible”.

“The Transition movement represents one of the most promising ways of engaging people and communities to take the far-reaching actions that are required to mitigate the effects of peak oil, climate change and the economic crisis. Furthermore, these relocalization efforts are designed to result in a life that is more fulfilling, more socially connected and more equitable than the one we have today.

The Transition model is based on a loose set of real world principles and practices that have been built up over time through experimentation and observation of communities as they drive forward to reduce carbon emissions and build community resilience. Underpinning the model is a recognition of the following:

- [Peak Oil](#), [Climate Change](#) and the [Economic Crisis](#) require urgent action
- Adaptation to a world with less oil is inevitable
- It is better to plan and be prepared, than be taken by surprise
- Industrial society has lost the resilience to be able to cope with shocks to its systems
- We have to act together and we have to act now
- We must negotiate our way down from the “peak” using all our skill, ingenuity and intelligence
- Using our creativity and cooperation to unleash the collective genius within our local communities will lead to a more abundant, connected and healthier future for all.

“The Transition Movement believes that it is up to us in our local communities to step into a leadership position on this situation. We need to start working now to mitigate the interrelated effects of peak oil, climate change, and the economic crisis, before it is too late. Together we can make a difference.”

ii) From “The Seven Guiding Principles of Transition” section (at <http://www.transitionus.org/initiatives/7-principles>)

“The 7 Guiding Principles of Transition

--Positive Visioning

Transition Initiatives are based on a dedication to the creation of tangible, clearly expressed and practical visions of the community in question beyond its present-day dependence on fossil fuel. Our primary focus is not campaigning against things, but rather on creating positive, empowering possibilities and opportunities. The generation of new stories and myths are central to this visioning work.

--Help People Access Good Information and Trust Them to Make Good Decisions

Transition initiatives dedicate themselves, through all aspects of their work, to raising awareness of peak oil and climate change and related issues such as critiquing economic growth. In doing so they recognize the responsibility to present this information in ways which are playful, articulate, accessible and engaging, and which enable people to feel enthused and empowered rather than powerless. Transition initiatives focus on telling people the closest version of the truth that we know in times when the information available is deeply contradictory. The messages are non-directive, respecting each person’s ability to make a response that is appropriate to their situation.

--Inclusion and Openness

Successful Transition Initiatives need an unprecedented coming together of the broad diversity of society. They dedicate themselves to ensuring that their decision making processes and their working groups embody principles of openness and inclusion. This principle also refers to the principle of each initiative reaching the community in its entirety, and endeavoring, from an early stage, to engage their local business community, the diversity of community groups and local government authorities. It makes explicit the principle that there is no room for ‘them and us’ thinking in the challenge of energy descent planning.

--Enable Sharing and Networking

Transition Initiatives dedicate themselves to sharing their successes, failures, insights and connections at the various scales across the Transition network, so as to more widely build up a collective body of experience.

--Build Resilience

This stresses the fundamental importance of building resilience i.e. the capacity of our businesses, communities and settlements to withstand shock. Transition initiatives commit to building resilience across a wide range of areas (food, economics, energy etc) and also on a range of scales (from the local to the national) as seems appropriate - and to setting them within an overall context of the need to do everything we can to ensure environmental resilience.

--Inner and Outer Transition

The challenges we face are not just caused by a mistake in our technologies but are a direct result of our world view and belief system. The impact of the information about the state of our planet can generate fear and grief - which may underlie the state of denial that many people are caught in. Psychological models can help us understand what is really happening and avoid unconscious processes sabotaging change. E.g. addictions models, models for behavioral change. This principle also honors the fact that Transition thrives because it enables and supports people to do what they are passionate about, what they feel called to do.

--Subsidiarity: self-organization and decision making at the appropriate level

This final principle embodies the idea that the intention of the Transition model is not to centralize or control decision making, but rather to work with everyone so that it is practiced at the most appropriate, practical and empowering level, and in such a way that it models the ability of natural systems to self organize.”

iii) From “The 12 Ingredients of the Transition Model” (at <http://www.transitionus.org/initiatives/12-steps>)

“The 12 Ingredients of the Transition Model

These 12 Ingredients (aka Steps) have grown out of the observation of what seemed to work in the early Transition Initiatives. They don’t take you from A to Z but rather from A to C, which is as far as we’ve got with the model today. These Steps don’t necessarily follow each other logically in the order they are set out here; every Transition Initiative weaves through them differently. The 12 Ingredients are still evolving, in part shaped by your experience of using them.

It is important to realize that they are not meant to be prescriptive. You do not have to follow them religiously, step by step, you can use the ones that seem useful, add new ones you come up with, and disregard others that don’t work for you.

--Set up a steering group and design its demise from the outset

This stage puts a core team in place to drive the project forward during the initial phases. We recommend that you form your Steering Group with the aim of getting through Steps 2 – 5, and agree that once a minimum of 4 sub-groups (see Step 5) are formed, the Steering Group disbands and reforms with a person from each of those groups. This requires a degree of humility, but is very important to put the success of the project above the individuals involved. Ultimately your Steering Group should be made up of 1 representative from each working sub-group.

--Raise Awareness

This stage will identify your key allies, build crucial networks and prepare the community in general for the launch of your Transition initiative. For an effective Energy Descent Action plan to evolve, its participants have to understand the potential effects of both Peak Oil and Climate Change – the former demanding a drive to increase community resilience, the latter a reduction in carbon footprint. Screenings of key movies (Inconvenient Truth, End of Suburbia, Crude Awakening, Power of Community) along with panels of “experts” to answer questions at the end of each, are very effective. Talks by experts in their field of Climate Change, Peak Oil and community solutions can also be very inspiring. Articles in local papers, interviews on local radio, presentations to existing groups, including schools, are also part of the toolkit to get people aware of the issues, and ready to start thinking of solutions.

--Lay the foundations

This stage is about networking with existing groups and individuals, making clear to them that the Transition Initiative is designed to incorporate their previous efforts and future inputs by looking at the future in a new way. Acknowledge and honor the work they do, and stress that they have a vital role to play. Give them a concise and accessible overview of Peak Oil, what it means, how it relates to Climate Change, how it might affect the community in question, and the key challenges it presents. Set out your thinking about how a Transition Initiative might be able to act as a catalyst for getting the community to explore solutions and to begin thinking about grassroots mitigation strategies.

--Organize a Great Unleashing

This stage creates a memorable milestone to mark the project’s “coming of age”, moves it right into the community at large, builds a momentum to propel your initiative forward for the next period of its work and celebrates your community’s desire to take action. In terms of timing, we suggest this take place about 6 months to a year after your first “awareness-raising” event.

The Official Unleashing of Transition Town Totnes was held in September 2006, preceded by about 10 months of talks, film screenings and events.

Your unleashing will need to bring people up to speed on Peak Oil and Climate Change, but in a spirit of “we can do something about this” rather than a doom and gloom scenario. One item of content that we’ve seen work very well is a presentation on the practical and psychological barriers to personal change – after all, this is all about what we do as individuals. It needn’t be just talks, it could include music, food, dance - whatever you feel reflects your community’s intention to embark on this collective adventure.

-- Form working groups

Part of the process of developing an Energy Descent Action Plan is tapping into the collective genius of the community. Crucial for this is to set up a number of smaller groups to focus on specific aspects of the process. Each of these groups will develop their own ways of working and their own activities, but will all fall under the umbrella of the project as a whole.

Ideally, working groups are needed for all aspects of life that your community needs to sustain itself and thrive. Examples of these are: food, waste, energy, education, youth, local economics, transport, water, local government.

Each of your working groups looks at their area and tries to determine the best ways of building community resilience and reducing their carbon footprint. Their solutions will form the backbone of the Energy Descent Action Plan.

--Use Open Space

We've found Open Space Technology to be a highly effective approach to running meetings for Transition Initiatives. In theory it ought not to work. A large group of people comes together to explore a particular topic or issue, with no agenda, no timetable, no obvious coordinator and no minute takers. However, by the end of each meeting, everyone has said what they needed to, extensive notes have been taken, lots of networking has had taken place, and a huge number of ideas have been identified, and visions set out.

The essential reading on Open Space is Harrison Owen's Open Space Technology: A User's Guide, and you will also find Peggy Holman and Tom Devane's The Change Handbook: Group Methods for Shaping the Future an invaluable reference on the wider range of such tools.

--Develop visible practical manifestations of the project

It is essential that you avoid any sense that your project is just a talking shop where people sit around and draw up wish lists. Your project needs, from an early stage, to begin to create practical, high visibility manifestations in your community. These will significantly enhance people's perceptions of the project and also their willingness to participate. There's a difficult balance to achieve here during these early stages. You need to demonstrate visible progress, without embarking on projects that will ultimately have no place on the Energy Descent Action Plan.

--Facilitate the Great Reskilling

If we are to respond to Peak Oil and Climate Change by moving to a lower energy future and relocalizing our communities, then we'll need many of the skills that our grandparents took for granted. One of the most useful things a Transition Initiative can do is to reverse the "great deskilling" of the last 40 years by offering training in a range of skills.

Research among the older members of our communities is instructive – after all, they lived before the throwaway society took hold and they understand what a lower energy society might look like. Some examples of courses: recycling grey water, cooking, bicycle maintenance, natural building, herbal medicines, basic home energy efficiency, practical food growing, harvesting rainwater, composting waste (the list is endless).

Your Great Reskilling program will give people a powerful realization of their own ability to solve problems, to achieve practical results and to work cooperatively alongside other people. They'll also appreciate that learning can be fun!

--Build a Bridge to Local Government

Whatever the degree of groundswell your Transition Initiative manages to generate, however many practical projects you've initiated, and however wonderful your Energy Descent Plan is, you will not progress far unless you have cultivated a positive and productive relationship with your local government authority. Whether it is planning issues, funding or networking, you need them on board. Contrary to your expectations, you may well find that you are pushing against an open door.

--Honor the elders

For those of us born in the 1960s when the cheap oil party was in full swing, it is very hard to picture a life with less oil. Every year of my life (except for the oil crises of the 70s) has been underpinned by more energy than the previous years. In order to rebuild a picture of a lower energy society, we have to engage with those who directly remember the transition to the age of Cheap Oil, especially the period between 1930 and 1960.

While you clearly want to avoid any sense that what you are advocating is 'going back' or 'returning' to some dim distant past, there is much to be learnt from how things were done in the past, what the invisible connections between the different elements of society were, and how daily life was supported when less oil was available. Finding these things out can be deeply illuminating, and can lead to our feeling much more connected to place when we are developing our Transition Initiatives.

--Let it go where it wants to go...

Although you may start out developing your Transition Initiative with a clear idea of where it will go, it will inevitably go elsewhere. If you try and hold onto a rigid vision, it will begin to sap your energy and appear to stall. Your role is not to come up with all the answers, but to act as a catalyst for the community to design their own transition.

If you keep your focus on the key design criteria – building community resilience and reducing the carbon footprint – you'll watch as the collective genius of the community enables a feasible, practicable and highly inventive solution to emerge.

--Create an Energy Descent Plan

At the moment there is only one completed Energy Descent Action Plan, the one done for Kinsale in Ireland. Although this was a student-led project, it did a very good job of producing a template that other communities could follow in designing pathways away from oil dependency. Some people find the term 'Energy Descent' too negative, and have chosen to call their EDAP an "Energy Transition Pathway" or a "Community Vision Plan".

Whatever it is called, the EDAP sets out a vision of a powered-down, resilient, relocalized future, and then backcasts, in a series of practical steps, creating a map to get there from here. Every community's EDAP will be different, both in content and style. However, they will explore a wide range of areas as well as energy: energy descent is an issue which affects every aspect of our lives.

3) From the Bloomington, Indiana (USA) Peak Oil Task Force

From the Bloomington, Indiana (USA) Peak Oil Task Force report titled "*Redefining Prosperity: Energy Descent and Community Resilience*" (October, 2009) (at

<http://bloomington.in.gov/media/media/application/pdf/6239.pdf>) (confirmed September 3, 2011

[Note: A recent Peak Oil report by the Futures Analysis section of the German Military cited this Bloomington, Indiana report in a footnote, and quoted much of the same material this writer has from the "Executive Summary"] (Note: there are 10 pages of excerpts from the German Military report on peak oil in the IPCC document "Draft Section #3 The End of the Era of 'Cheap Energy' (particularly in reference to Peak Oil ('Statistics and Observations" piece)", at

http://www.ipcri.net/Draft_Critical_Challenges_Section_3_Peak_Oil.pdf)

(from “Conclusion”, p. 218, paragraphs 1-3)

“The peaking of production in liquid fuels and other energy sources in the near future will reshape our everyday lives. It will profoundly affect our community most in the areas of sustenance, transportation, land use, housing, and municipal services. We must all begin now to build other, more resilient supports for our common life. These supports will consist of understandings, agreements, assumptions, physical structures, and cultural practices that will recognize lower energy availability not as a problem, but as an opportunity and a condition to which we must adapt ourselves individually and collectively.

“Many of us need to become part-time farmers and water harvesters, to learn some effective health practices, and to notice and become responsible for collecting and conserving organic matter everywhere. Many of us must learn how to insulate our homes better. Many of us will have to learn how to better navigate public transit. Many of us will ride our bikes to work and carpool with neighbors to the grocery. Many of us will be required to continue on the path of vigilant resource conservation. The City of Bloomington will have to intensify its already-active efforts to foster sustainable community well-being by re-thinking the way it provides services to residents.

“Some of these forms of adaptation will be familiar or recognizable from past eras. Others have never been applied. In all cases, the answers require us to take greater responsibility for self-provision, for thoughtful cooperation with those around us, and for greater attention to the resources and possibilities of our homes, our neighborhoods, and our community.”

(from “Executive Summary”, p. iii-vi)

“The following is a representative, but not exhaustive, review of vulnerabilities and strategies identified by the Task Force:

Economic Context. Bloomington and Monroe County are clearly part of both national and global economies and our reliance on a steady supply of inexpensive goods from as far away as half-way around the world makes us vulnerable to a decline in inexpensive oil.

Mitigation:

- Promote economic relocalization through “Buy Local!” initiatives; encourage a Local Exchange Trading System and cooperate with *Transition Bloomington*.
- Examine sector dependence on oil.
- Develop and deploy sustainable forms of energy.
- Develop and promote green jobs.

Municipal Services. As the price of oil both becomes more volatile and more expensive, so too will the price of electricity, natural gas, and other energy resources. It will become more expensive for the City to: treat and pump drinking water; treat its wastewater; provide fuel for law enforcement and fire protection; heat and cool municipal buildings; and pick up trash and recycling. Similarly, the City will also experience a general increase in cost of just about anything that relies on energy to produce and transport it.

Mitigation:

- Explore hybrid energy (hydroelectric-solar) generation to complement existing power at the water treatment plant.

- Encourage more rainwater capture by residents and the City.
- Offer energy efficiency and water conservation incentives to residents.
- Expand water storage capacity.
- Transition all back-up generators to renewable sources of energy.
- Develop a community compost program.
- Establish waste reduction goals -- *Zero Waste Bloomington* by 2040.
- Explore sludge-to-biogas energy generation at the wastewater treatment plant.
- Develop a fuel allocation plan wherein, in the event of a fuel shortage, the Police and Fire Departments are given greatest priority.
- Replace patrol cars with electric vehicles.
- Investigate police pursuit vehicles that do not rely on fossil fuels and transition over to such vehicles as this technology improves.
- Explore alternatives to asphalt.
- Offer carpooling incentives to employees.
- Reduce the size of the City fleet through partnerships with car sharing groups.

Transportation. Of all sectors, transportation is the most petroleum dependent and the most vulnerable to a disruption resulting from declining world petroleum supplies. Ninety seven percent of transportation energy is reliant on fossil fuel. In Monroe County, we drive approximately 2.8 million miles *per day*. That's like driving one car around the Earth at the equator 112 times in one day.

Mitigation:

- Bring daily necessities closer to where people live.
- Establish ride and car sharing programs.
- Increase connectivity & the number of planned "lengthy corridors" for bicyclists.
- Make bus transportation faster and more attractive.
- Seek funding improvements for Bloomington Transit.
- Encourage Bloomington Transit to transition its bus fleet from one relying on diesel fuel to one relying on locally-produced biogas.
- Work toward a regional Comprehensive Land Use and Transportation Plan involving the City of Bloomington, Monroe County, and Indiana University that fosters bicycle, pedestrian, and transit-friendly changes in land use.
- Encourage commuter rail between Bloomington and other cities.
- Encourage bus service between Bloomington and downtown Indianapolis.

Land Use. When it comes to land use, the physical separation of where we live from where we carry out the activities of everyday life – work, food, school, health care, and community – is by far the biggest threat posed by the end of cheap oil.

Mitigation:

- Through zoning and other land management tools, encourage the redistribution of land to bring about denser living arrangements, and a closer integration of residential and commercial activity, thus reducing the total amount of intra-city transportation required. We must restructure our community to provide highdensity, multi-use arrangements friendly to transit, bicycles, and pedestrians.
- Update the City's land use documents with an eye to peak oil.
- Target public transit routes to help shape neighborhood development.

Housing. An aging grid, paired with the likelihood that more and more people will turn to electricity to power their cars, means that the grid will be increasingly taxed. In Indiana, the grid is powered by coal-generated energy. Coal relies on oil for extraction and transportation. Absent efficiency improvements, it will be ever-more expensive to heat our homes.

Mitigation:

- Engage in outreach to reduce energy demand through conservation.
- Work to retrofit 5% of homes for energy efficiency per year.
- Explore the possibility of local power generation from renewable sources.
- Establish loans and incentives for installation of renewable energy.
- Create incentives to make rental units more energy efficient.

Sustenance can be understood as the maintenance and nurturance of health and life. The elements of sustenance include: food, water, waste handling, and health care. At present, these elements are provided by private companies, government, and publicly-owned corporations and are entirely dependent on petroleum. Indeed, less than 2 percent of the food consumed by city residents is produced within the city, its surrounding region or the state.

Mitigation:

- Work closely with the private sector and Indiana University to outline a detailed plan for community food security. Adopt a *Food Security Resolution*.
- Plant edible landscapes on public property.
- Organize City-led horticultural services to include the collection, processing, and distribution of organic waste.
- Increase local food storage.
- Train and deploy more urban farmers.
- Remove or reduce legal, institutional, and cultural barriers to farming within and around the city, and open institutional markets to local food.
- Establish food-business incubator programs with access to community kitchens.
- Dedicate public land to intensive gardening and farming.
- Work toward a year-round regional farmers' market.
- Work toward the establishment of a local land trust for the banking of farmland.
- Work toward providing more local or regional organic food to Monroe County Community School Corporation, Indiana University, Ivy Tech, and Bloomington Hospital.
- Create a local, publicly-controlled seedbank.
- Encourage water conservation through outreach and incentives.
- Create community composting sites.
- While the City has little direct influence over health care, it can work with stakeholders to advocate for a health care system that is resilient even in the face of peak oil. Specifically, as a community we should: encourage a mobile medical corps for house calls; encourage more neighborhood health clinics and doctors' offices; and support a concentration of essential medical services to remain in the central city location accessible by public transit and pedestrians."

4) Permaculture

a) For a most comprehensive introduction to permaculture see "Introduction to Permaculture" section of the Permaculture Activist website at <http://www.permacultureactivist.net/intro/PcIntro.htm#Defined>

b) From the article “Energy and Permaculture” by David Holmgren, co-creator of the “permaculture” concept) (article first written in 1990, published in “Permaculture Activist” Issue #31 May, 1994) (see “Agriculture and Forestry” section)(at <http://www.permacultureactivist.net/articles/holmgren.htm>) (confirmed January 9, 2011)

“It should be possible to design land use systems which approach the solar energy harvesting capacities of natural systems while providing humanity with its needs. This was the original premise of the permaculture concept.”

Also in “Energy and Permaculture” article, in section “Mollison”

“The transition from an unsustainable fossil fuel-based economy back to a solar-based (agriculture and forestry) economy will involve the application of the embodied energy that we inherit from industrial culture. This embodied energy is contained within a vast array of things, infrastructure, cultural processes and ideas, mostly inappropriately configured for the “solar” economy. It is the task of our age to take this great wealth, reconfigure it, and apply it to the development of sustainable systems.”

c) From “Introduction to Permaculture” section of the Permaculture Activist website at <http://www.permacultureactivist.net/intro/PcIntro.htm#Defined>

“Carefully observing natural patterns characteristic of a particular site, the permaculture designer gradually discerns optimal methods for integrating water catchment, human shelter, and energy systems with tree crops, edible and useful perennial plants, domestic and wild animals and aquaculture.”

“Farming systems and techniques commonly associated with permaculture include agro- forestry, swales, contour plantings, Keyline agriculture (soil and water management), hedgerows and windbreaks, and integrated farming systems such as pond-dike aquaculture, aquaponics, intercropping, and polyculture. Gardening and recycling methods common to permaculture include edible landscaping, keyhole gardening, companion planting, trellising, sheet mulching, chicken tractors, solar greenhouses, spiral herb gardens, swales, and vermicomposting. Water collection, management, and reuse systems like Keyline, greywater, rain catchment, constructed wetlands, aquaponics (the integration of hydroponics with recirculating aquaculture), and solar aquatic ponds (also known as Living Machines) play an important role in permaculture designs.”

“In developing an awareness of the importance of relationships in the design of self-reliant systems, two statements in permaculture literature and teaching have been central: 1) each element performs many functions 2) each important function is supported by many elements.”

d) A Directory of Permaculture Projects Worldwide, at <http://permacultureglobal.com/projects> lists 602 projects.

e) Another List of Permaculture Projects around the world is at http://en.wikipedia.org/wiki/List_of_permaculture_projects

f) From the “Courses/Internships” section of the Permaculture Research Institute website, at <http://permaculture.org.au/courses.php>

“The PRI is renowned for producing highly active and effective students and teachers. As you'll see below, we run multiple courses -- from the world famous Permaculture Design Certificate (PDC) course, which is the best introduction to permaculture design (and a pre-requisite to obtaining your Diploma through the Permaculture Institute) to the Soil Biology and Natural Fertiliser Course, Permaculture Aid Worker Training Course, PDC Teacher Training, Earthworks and the very popular 10-week Internship Program that covers all of these and more.”

“Example:

[Permaculture Design Certificate \(PDC\) course \(The Permaculture Research Institute, Zaytuna Farm at The Channon, NSW, Australia\)](#)

Starts 08 January 2012 and runs for 14 day(s)

This world-recognized, 72-hour course provides an introduction to permaculture as set forth by movement founder Bill Mollison is held by Geoff and Nadia Lawton and other Permaculture educators.

g) 40 hours of free video lectures on Permaculture, at

<http://permaculture-media-download.blogspot.com/2011/09/introduction-to-permaculture-40-hours.html>

5) The Global Ecovillage Network (GEN)/Gaia Education/Findhorn Foundation

a) (from the “About Us” section, at <http://gen.ecovillage.org/about-gen/aboutgen.html>) (paragraph 1)

“The Global Ecovillage Network (GEN) is a growing network of sustainable communities and initiatives that bridge different cultures, countries, and continents. GEN serves as umbrella organization for ecovillages, transition town initiatives, intentional communities, and ecologically-minded individuals worldwide.”

b) (from the “Vision and Mission” section, at <http://gen.ecovillage.org/about-gen/vision-mission.html>) (paragraph 1)

“We envision an expanding network of communities, businesses, NGOs, media, educational institutions, governments, foundations, writers, researchers, educators, students, and citizen activists exchanging information and experiences globally to enhance our individual and collective capacity for living sustainably in community, at the present and for future generations.”

c) (from the “Vision and Mission” section, at <http://gen.ecovillage.org/about-gen/vision-mission.html>) (paragraph 3-5)

“Goals:

To provide networking services in the form of information, encouragement, tools, examples, and leadership in developing and demonstrating sustainability principles and practices.

Through information exchange, advocate a community lifestyle to individuals from all walks of life, for them to cultivate balanced, healthy and sustainable living --- socially, spiritually, economically, and ecologically.

To serve as a think-tank, incubator, international partner organization and catalyst for Ecovillages, ecovillage-related projects, and lifestyle models that expedite the global shift to sustainability.”

d) (from “What is an Ecovillage?” section, at <http://gen.ecovillage.org/ecovillages/whatisanecovillage.html>) (in subsection “Background”)

“The motivation for ecovillages is the choice and commitment to reverse the gradual disintegration of supportive social/cultural structures and the upsurge of destructive environmental practices on our planet.

“For millenia, people have lived in communities close to nature, and with supportive social structures. Many of these communities, or ‘ecovillages’, exist to this day and are struggling for survival.

“Ecovillages are now being created intentionally, so people can once more live in communities that are connected to the Earth in a way that ensures the well-being of all life-forms into the indefinite future.

“Ecovillages are one solution to the major problems of our time - the planet is experiencing the limits to growth, and our lives are often lacking meaningful content. According to increasing numbers of scientists, we have to learn to live sustainably if we are to survive as a species. The United nations launched its [Global Environment Outlook 2000](#) report, based on reports from UN agencies, 850 individuals and over 30 environmental institutes, concluding that ‘the present course is unsustainable and postponing action is no longer an option.’”

e) (from the “Ecovillage Design Education” section, at <http://gen.ecovillage.org/education/ecovillagedesignededucation.html>) (paragraphs 1 and 2)

“The Ecovillage Design Education (EDE) course is a program of a GEN partner, Gaia Education. This new initiative was launched at Findhorn in October 2005 by a group of Ecovillage educators calling themselves The GEESE (Global Ecovillage Educators for Sustainable Earth.) The key program is a UNITAR-endorsed 4 week holistic introduction to designing sustainable settlements based on the GEN ‘living and learning’ principle. In four weeks you get an overview of all you need to know to design sustainable settlements all over the world.

"Gaia Education promotes a holistic approach to education for sustainable development by developing curricula for sustainable community design. While drawing upon best practices within ecovillages worldwide, Gaia Education works in partnership with universities, ecovillages, government and non-government agencies and the United Nations."

f) From the preamble to a 116 page “Ecovillage Design Curriculum” document (accessible at the Gaia Education website) (see http://gaiaeducation.net/index.php?option=com_content&view=article&id=47&Itemid=62)

“We live in a rapidly changing world that is transforming before our very eyes. Humanity is now being challenged as never before to grow in wisdom, maturity, and understanding. A plethora of deep and

pressing concerns is calling for our immediate attention, concerns such as: Earth's environmental degradation, including the loss of precious topsoil and forest cover, the encroachment of deserts, the depletion of fisheries and aquifers, the loss of habitat and the extinction of species, etc.; the glaring and increasing disparity between rich and poor leading to exploitation, poverty, and the associated regimen of malnutrition and over-population; the disintegration of families, communities, even entire cultures; unrestrained urbanization resulting in social alienation, displacement, and feelings of disconnection with the natural world; the dimming of a sense of spiritual awareness and purpose; global warming and ozone depletion; etc. And now, looming on the horizon is “peak oil,” with its coming adjustments and retrofits, including the probability of ongoing conflict over access to the remaining energy reserves.

“All of these problems are quite real and, by now, well-documented; but gaining awareness of the extent of the problems is only half the project of becoming educated these days.

“Amidst these intense challenges, and largely catalyzed by them, lies the prospect for tremendous growth in human potential and consciousness. People and communities all over the globe are coming together to reclaim responsibility for creating their own living situations – at local and regional levels. In the process, they are overcoming prior limitations and developing new talents, skills, knowledge and approaches. Paradoxically, many of the most innovative solutions rely on a timeless, perennial kind of wisdom that seems to have been disregarded recently. The potential for a refreshed, renewed, revitalized humanity goes hand-in-hand with meeting the challenges of our present Age.

“The Global Ecovillage Network (GEN) believes the most promising and effective way to deal with all these issues is through education....”

f) From an introduction to “Ecovillage Design” coursework at the Findhorn Foundation website: (at <http://www.findhorn.org/programmes/programme353.php/>)

[Note: also accessible at that webpage—A 7 minute video titled “Gaia Education: At the Cutting Edge of Sustainability”]

*“Gaia Education Design for Sustainability - Training of Trainers - Incorporating Transition Towns Training
13 October - 9 November 2012*

presented by the Findhorn Foundation in partnership with Global Ecovillage Network and Gaia Education

Based on Ecovillage Design - an official contribution to the United Nations Decade of Education for Sustainable Development.

Facilitated by:

Pracha Hutunuwatr - Director, Wongsanit Ashram, Thailand

May East - Director, Gaia Education

Michael Shaw - Director, Ecovillage International

Iain Davidson - Lecturer, Findhorn Foundation

and Findhorn Ecovillage experts

You are invited to join this four-week comprehensive programme based on the four core pillars of the Ecovillage Design: the social, worldview, ecological and economic dimensions of sustainability.

The programme content draws on the experience and expertise developed in a network of some of the most successful ecovillages and community projects across the Earth.

Design for Sustainability Training of Trainers is an advanced course based at the Findhorn Ecovillage providing a practical forum for learning and developing skills needed to work effectively with design for sustainability at all levels. It comprises four separate week-long modules, which may be attended as a whole or separately.

Social Design - Week 1: Oct 13–19

Building Community & Embracing Diversity
Communication Skills and Feedback
Facilitation and Decision-Making Processes
Conflict Facilitation
Personal Empowerment and Leadership
Celebrating Life: Creativity and Art

Economic Design - Week 2: Oct 20–26

Shifting the Global Economy to Sustainability
How Money Works: Community Banks and Currencies
Right Livelihood
Social Enterprise
Legal and Financial Issues

Ecological Design - Week 3: Oct 27–Nov 2

Whole Systems Approach to Ecological Design
Appropriate Technology: Water
Organic Agriculture and Local Food
Appropriate Technology: Energy
Green Building & Retrofitting

Worldview - Week 4: Nov 3–9

Holistic Worldview
Listening to and Reconnecting with Nature
Awakening & Transformation of Consciousness
Personal Health, Planetary Health
Socially Engaged Spirituality and Bioregionalism

The EDE is being introduced to the world at this time to complement, correspond with, and assist in setting a standard for the United Nations' Decade of Education for Sustainable Development 2005-2014.

6) Fair Trade

a) From the "Vision Statement" webpage of Fair Trade USA
(at <http://fairtradeusa.org/about-fair-trade-usa/mission>)

"We seek to empower family farmers and workers around the world, while enriching the lives of those struggling in poverty. Rather than creating dependency on aid, we use a market-based approach that empowers farmers to get a fair price for their harvest, helps workers create safe working conditions, provides a decent living wage and guarantees the right to organize. Through direct, equitable trade, farming and working families are able to eat better, keep their kids in school, improve health and housing, and invest in the future. Keeping families, local economies, the natural environment, and the larger community strong today and for generations to come; these are the results we seek through Fair Trade.

"We aim to channel more of the opportunities and benefits of globalization to the underprivileged farming and working families who today are being left behind.

"Protecting the environment goes hand-in-hand with protecting the future livelihoods of local communities. The Fair Trade model requires rigorous protection of local ecosystems and ensures that farmers receive a harvest price, which will allow them to practice sustainable agriculture. We encourage farmers to transition to organic agriculture because it is safer for farm workers, healthier for consumers and better for the environment. Ultimately, we help farming families become the best stewards of their land.

"As Americans become increasingly concerned about the state of the world and look for opportunities to use their power in the marketplace to make a positive difference, we seek to provide an avenue for consumers to vote with their dollar. As we educate and inspire more and more consumers, we hope to be a force for change.

"We believe the rise of the Conscious Consumer will cause a fundamental shift in the way companies do business and create a historic opportunity to reward companies that embrace sustainability.

"We envision a day when Fair Trade products are readily available in stores across the country, when U.S. consumers can choose a "Fair Trade Lifestyle" and shop responsibly in every product category. This vision requires an inclusive approach to new products and stakeholders. For us, Fair Trade is not just a market; it is also a social movement that brings strength, hope and real choice to the world's consumers. Companies should not have to choose between social responsibility and the bottom line.

"We envision Fair Trade as a new global business model that helps industry secure its own profitability and competitiveness while it protects the environment and ensures a fair return to farmers and workers. We help industry forge long-term partnerships throughout the supply chain so companies can both obtain the highest quality products and support disadvantaged producer communities. In our effort to reach consumers throughout the nation, we choose to collaborate with companies of all types and sizes, from mission-driven organizations and family-owned businesses to transnational corporations. As we raise the bar for best practices in global trade and production, we aspire to remain the Gold Standard label for social, economic and environmental sustainability."

b) Statistics

(from the Wikipedia page for “Fair Trade”)

More than 10,000 Fair Trade Certified™ products are sold in more than 70 countries worldwide. In the U.S. market, consumers can choose from more than 7,000 products sourced from 58 countries.

In 2008, products certified with FLO International's Fairtrade certification amounted to approximately US\$4.98 billion (€3.4B) worldwide, a 22% year-to-year increase. While this represents a tiny fraction of world trade in physical merchandise, some fair trade products account for 20-50% of all sales in their product categories in individual countries. In June 2008, Fairtrade Labelling Organizations International estimated that over 7.5 million producers and their families were benefiting from fair trade funded infrastructure, technical assistance and community development projects. Fairtrade branding has extended beyond food and fibre, a development that has been particularly vibrant in the UK where there are 500 Fairtrade Towns, 118 Fairtrade universities, over 6000 Fairtrade churches, and over 4000 UK schools registered in the Fairtrade Schools Scheme.

7) Re-ruralization

a) Excerpt from article “50 Million Farmers” by Richard Heinberg, published at the Energy Bulletin website on November 17, 2006 (see <http://www.energybulletin.net/node/22584#>) (confirmed January 24, 2010)

“One way or another, re-ruralization will be the dominant social trend of the 21st century. Thirty or forty years from now—again, one way or another—we will see a more historically normal ratio of rural to urban population, with the majority once again living in small, farming communities. More food will be produced in cities than is the case today, but cities will be smaller. Millions more people than today will be in the countryside growing food.

“They won’t be doing so the way farmers do it today, and perhaps not the way farmers did it in 1900. Indeed, we need perhaps to redefine the term *farmer*.... We should perhaps start thinking of a farmer as someone with 3 to 50 acres, who uses mostly hand labor and twice a year borrows a small tractor that she or he fuels with ethanol or biodiesel produced on-site.

“How many more farmers are we talking about? Currently the U.S. has three or four million of them, depending on how we define the term. Let’s again consider Cuba’s experience: in its transition away from fossil-fueled agriculture, that nation found that it required 15 to 25 percent of its population to become involved in food production. In America in 1900, nearly 40 percent of the population farmed; the current proportion is close to one percent. (The current population of the United States is estimated at 306,670,896. 1% of that number is 3,066,708, an approximation of how many farmers there are now in the U.S. 20% of the total U.S. population is 61,334,179. According to this math, there would be a need for approximately 58 million more farmers in the United States, in the future, than there are now.)....

“How soon will the need arise? Assuming that the peak of global oil production occurs within the next five years, and that North American natural gas is already in decline, we are looking at a transition that must occur over the next 20 to 30 years, and that must begin approximately now.”

b) From pdf version of “The Food and Farming Transition: Toward a Post Carbon Food System” by Richard Heinberg and Michael Bromberg, Ph.D Post Carbon Institute 2009 (Available online at www.postcarbon.org/food) Excerpt from Section “Farm Work” (see p. 28-29) (Confirmed October 20, 2009)

“While the proportion of farmers that would be needed in the U.S. if the country were to become self-sufficient in food grown without fossil fuels is unknown (that would depend upon technologies used and diets adopted), it would undoubtedly be much larger than the current percentage. It is reasonable to expect that several million new farmers would be required—a number that is both unimaginable and unmanageable over the short term. These new farmers would have to include a broad mix of people, reflecting America’s increasing diversity. Already growing numbers of young adults are becoming organic or biodynamic farmers, and farmers’ markets and CSAs are springing up across the country (Figure 11). These tentative trends must be supported and encouraged. In addition to government policies that support sustainable farming systems based on smaller farming units, this will require:

“Education: Universities and community colleges must quickly develop programs in smallscale ecological farming methods—programs that also include training in other skills that farmers will need, such as in marketing and formulating business plans. Apprenticeships and other forms of direct knowledge transfer will assist the transition. Gardening programs must be added to the curricula of all primary and secondary schools, especially in summer programs.

“Financial Support: Since few if any farms are financially successful in their first few years, loans and grants will be needed to help farmers get started.

“Community and Cultural Revitalization: Over the past decades American rural towns have seen too many of their young people flee first to distant colleges and then to cities. Farming communities must be interesting, attractive places if we expect people to inhabit them and children to want to stay there.”

c) Organic Farmer Associations/Farmer Apprenticeships

From the homepage of www.nofa.org

“The Northeast Organic Farming Association is a non-profit organization of over 5,000 farmers, gardeners, landscape professionals and consumers working to promote healthy food, organic farming practices and a cleaner environment. “

From <http://www.nofa.org/chapters.php>

“NOFA has chapters in Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island and Vermont.”

From <http://www.nofa.org/whoweare.php>

“Northeast Organic Farmers Association (NOFA) ...advocates for and educates about organic and sustainable agriculture, family-scale farming and homesteading both rural and urban, agricultural justice, and related issues.”

From the webpage for the NOFA “Beginning Farmer” Program
(at <http://www.nofa.org/beginningfarmer.php>)

“Each NOFA chapter dedicates programming to aspiring and just-starting farmers, collectively referred to as Beginner Farmers. Through a project supported by the Beginning Farmer and Rancher Development Program of the National Institute of Food and Agriculture, USDA, Grant # 2010-49400-21847, NOFA-NY, NOFA-VT, NOFA/Mass, NOFA-NJ, CT NOFA and NOFA-NH have been able to explore the needs of Beginner Farmers in their states and expand their programs to better support and serve those needs. Particular emphasis is placed on improving Beginner Farmers' access to education and peer support and networking.

“This education and networking happens through:

Workshop tracks at each state's winter conference

Scholarships to Annual Conferences

Year-round Beginner Farmer gatherings, farm tours, social events and summit meetings

Apprenticeship and mentorship opportunities

“Beginner Farmer Programming is a coordinated regional effort. The chapters of NOFA aim to attract farmers to the Northeast to learn to farm and to provide the environment for this to happen.

Furthermore, the NOFA chapters support these Beginner Farmers as they move beyond the apprenticeship and on-farm learning phase into starting up and maintaining successful farm enterprises.

Each chapter administers distinct programming to better meet the educational and networking needs within their state.

“Please use the links on this page to navigate to each state's webpage for Beginner Farmers.

NOFA-NY: www.nofany.org/bfam

NOFA-NJ: www.nofanj.org/beginningfarmer.htm

NOFA-VT: www.nofavt.org/grow-organic-food/beginning_farmers

NOFA-NH: www.nofanh.org

CT NOFA: www.ctnofa.org/index.htm

NOFA/Mass: www.nofamass.org

Beginning Farmer Programs are supported by The Beginning Farmer and Rancher Development Program of the National Institute of Food and Agriculture, USDA, Grant # 2010-49400-21847.

d) Excerpt from a “Farmer Seeking Apprentice” Application Form
(received from a “Farm Apprentice Placement Service”)

“We have a diversified mixed crop and livestock farm from which we earn our living, both of us working at it full-time and year around. As market crops go we raise Certified Seed and tablestock potatoes, greenhouse tomatoes, and over 30 types of vegetables. Our young orchard of 300 apple trees is beginning to bear fruit. We make and sell apple cider and maple syrup. Our livestock include a flock of sheep (15 ewes and ram) from which we sell freezer lamb and wool; two Belgian draftmares which we work in our woodlot and on our fields along with a tractor; a Jersey milk cow that supplies us with daily milk and a yearly calf; 20 laying hens, a pig, sheep dogs, and barn cats.

“Along with the daily tending of livestock and crops, there are on-going projects of brush clearing and bringing new land into production, and fencing. Seasonally there is horse work (maple sap gathering, logging, crops), apple tree pruning; lambing, sheep shearing; wool spinning and felting; buttermaking, canning, and pickling. We also fit in construction projects: in 1991 finishing up a 20' x 66' vegetable storage/packing shed and greenhouse. We market our crops in three ways: Community Supported Agriculture (CSA) subscription garden, mail order operation, and wholesale to stores and distributors.

“We have had our farm for 15 years and run it as a commercial operation that sustains us both spiritually and financially. Farming is our life and we love the discipline, the opportunity to live and work simply, independently, and ecologically. We work hard and it is a true labor of love. We raise most all of the food and firewood we need, and construct our own buildings. We produce our 12 volt electricity from photovoltaic panels. We feel we have a broad education to offer to an apprentice. Call us if our farm interests you.”

e) Community Supported Agriculture

From the homepage of “Local Harvest” (Real Food, Real Farmers, Real Community)
(at <http://www.localharvest.org/csa/>)

“Over the last 20 years, Community Supported Agriculture (CSA) has become a popular way for consumers to buy local, seasonal food directly from a farmer. Here are the basics: a farmer offers a certain number of "shares" to the public. Typically the share consists of a box of vegetables, but other farm products may be included. Interested consumers purchase a share (aka a "membership" or a "subscription") and in return receive a box (bag, basket) of seasonal produce each week throughout the farming season.

“This arrangement creates several rewards for both the farmer and the consumer. In brief...

Advantages for farmers:

- Get to spend time marketing the food early in the year, before their 16 hour days in the field begin
- Receive payment early in the season, which helps with the farm's cash flow
- Have an opportunity to get to know the people who eat the food they grow

Advantages for consumers:

- Eat ultra-fresh food, with all the flavor and vitamin benefits
- Get exposed to new vegetables and new ways of cooking
- Usually get to visit the farm at least once a season
- Find that kids typically favor food from "their" farm – even veggies they've never been known to eat
- Develop a relationship with the farmer who grows their food and learn more about how food is grown

“It's a simple enough idea, but its impact has been profound. Tens of thousands of families have joined CSAs, and in some areas of the country there is more demand than there are CSA farms to fill it. The government does not track CSAs, so there is no official count of how many CSAs there are in the U.S..

LocalHarvest has the most comprehensive directory of CSA farms, with over 4,000 listed in our grassroots database."

f) Appropriate technology

From the Wikipedia page for "Appropriate Technology"

"Appropriate technology is an ideological movement (and its manifestations) originally articulated as "intermediate technology" by the economist [Dr. Ernst Friedrich "Fritz" Schumacher](#) in his influential work, *Small is Beautiful*. Though the nuances of appropriate technology vary between fields and applications, it is generally recognized as encompassing technological choice and application that is small scale, labor intensive, energy efficient, environmentally sound and locally controlled.^[1] Both Schumacher and many modern-day proponents of appropriate technology also emphasize the technology as people centered.

"According to Dr. [Maurice Albertson](#) and Audrey Faulkner, appropriate *hard* technology is "engineering techniques, physical structures, and machinery that meet a need defined by a community, and utilize the material at hand or readily available. It can be built, operated and maintained by the local people with very limited outside assistance (e.g., technical, material, or financial). It is usually related to an economic goal."

"Paul Polak, founder of International Development Enterprises (an organization that designs and manufactures products that follow the ideals of appropriate technology)... argues the 'design for the other 90 percent' movement has replaced appropriate technology. Growing out of the appropriate technology movement, designing for the other 90 percent advocates the creation of low-cost solutions for the 5.8 billion of the world's 6.8 billion population "who have little or no access to most of the products and services many of us take for granted."

"Indian ideological leader Mahatma Gandhi is often cited as the "father" of the appropriate technology movement. Though the concept had not been given a name, Gandhi advocated for small, local and predominantly village-based technology to help India's villages become self reliant. He disagreed with the idea of technology that benefited a minority of people at the expense of the majority or that put people out of work to increase profit. In 1925 Gandhi founded the All-India Spinners Association and in 1935 he retired from politics to form the All-India Village Industries Association both organizations focused on village-based technology similar to the future appropriate technology movement."

g) Mahatma Gandhi,

--From "Gandhi's Swadeshi: The Economics of Permanence" by Satish Kumar at <http://squat.net/caravan/ICC-en/Krrs-en/ghandi-econ-en.htm> (see Paragraph 4 and 13 in section "Principles of Swadeshi") (Confirmed June 11, 2008)

"In India, people have lived for thousands of years in a relative harmony with their surroundings: living in their homesteads, weaving homespun clothes, eating homegrown food, using homemade goods; caring for their animals, forests, and lands; celebrating the fertility of the soil with feasts; performing the stories of great epics, and building temples. Every region of India has developed its own distinctive

culture, to which travelling storytellers, wandering 'saddhus', and constantly flowing streams of pilgrims have traditionally made their contribution."

"Beyond a certain limit, economic growth becomes detrimental to human well-being. The modern worldview is that the more material goods you have, the better your life will be. But Gandhi said, "A certain degree of physical comfort is necessary but above a certain level it becomes a hindrance instead of a help; therefore the ideal of creating an unlimited number of wants and satisfying them, seems to be a delusion and a trap. The satisfaction of one's physical needs must come at a certain point to a dead stop before it degenerates into physical decadence."

--From http://www.gandhi-manibhavan.org/gandhiphilosophy/philosophy_village_revivalindustries.htm

Revival of Village Industries

"In a nutshell, of the things we use, we should restrict our purchases to the articles which villages manufacture. Their manufactures may be crude. We must try to induce them to improve their workmanship, and not dismiss them because foreign articles or even articles produced in cities, that is, big factories, are superior. In other words, we should evoke the artistic talent of the villager. In this manner shall we repay somewhat the debt we owe to them. We need not be frightened by the thought whether we shall ever succeed in such an effort. Within our own times we can recall instances where we have not been baffled by the difficulty of our tasks when we have known that they were essential for the nation's progress. If, therefore, we as individuals believe that revivification of India's villages is a necessity of our existence, if we believe that thereby only can we root out untouchability and feel one with all, no matter to what community or religion they may belong, we must mentally go back to the villages and treat them as our pattern, instead of putting the city life before them for imitation. If this is the correct attitude, then, naturally, we begin with ourselves and thus use, say, handmade paper instead of mill-made, use village reed, wherever possible, instead of the fountain pen or the penholder, ink made in the villages instead of the big factories, etc. I can multiply instances of this nature. There is hardly anything of daily use in the home which the villagers have not made before and cannot make even now. If we perform the mental trick and fix our gaze upon them, we immediately put millions of rupees into the pockets of the villagers, whereas at the present moment we are exploiting the villagers without making any return worth the name."

Hanjan, 30-11-1934

h) J.C. Kumarappa

--Some biographical information about J.C. Kumarappa:

Note excerpted from "Brief Life Sketch of J.C. Kumarappa (1892-1960) at the website of the Kumarappa Institute of Gram Swaraj (KIGS) www.kigs.org (click on picture, and see paragraph 8)] (confirmed December 25, 2009)

"In 1935, the India National Congress formed the All India Village Industries Association (AIVIA) for the development of (the) rural economy (in India), with Gandhiji as President and Kumarappa as Secretary and Organiser. Between 1935-1939, Kumarappa established the AIVIA headquarters at Maganwadi, developed various experiments of rural technologies, and helped others to reorganize village industries

all over the country. (At Maganwadi), he edited a monthly journal, 'Gram Udyog Patrika,' and wrote a book, 'Why the Village Movement?' for AIVIA."

--From "Why the Village Movement?" by J.C. Kumarappa The edition this writer has includes the 1939 edition foreword by Mahatma Gandhi, and was printed on handmade paper in Rajchat, Kashi in 1960

"... every article in the bazaar has moral and spiritual values attached to it... hence it behooves us to enquire into the antecedents of every article we buy.... (Yet this) is an arduous task, and it becomes almost impossible for ordinary persons to undertake it when the article comes from far off countries. Therefore, it is that we have to restrict our purchase to articles made within our cognizance. This is the moral basis of Swadeshi." (p. 72-73)

"If the goods come from a source which may be tainted with exploitation (either of sweat labor or of the political, financial, or economic hold over other nations, or classes, or races) then the buyer of such goods will be party to such exploitation, just as the person who buys stolen articles... creates a market for stolen goods.... Therefore, anyone who buys good indiscriminately is not discharging his/her full responsibility.... We cannot absolve ourselves of all blame by merely pleading ignorance in regard to the source." (p.78)

"Are we prepared to shoulder this grave responsibility and pander to our palate or shall we content ourselves with a cup of nutritious milk drawn from a well kept cow at our door? These considerations are not far-fetched but actual. Anyone who looks on life seriously and as a trustee cannot afford to ignore these far-reaching consequences of his/her actions." (p. 78-79)

"If we feel it is beyond us to guarantee the concomitant results of all our transactions, it necessarily follows that we must limit our transactions to a circle well within our control. This is the bed rock of swadeshi... The smaller the circumference, the more accurately can we gauge the results of our actions, and (the) more conscientiously shall we be able to fulfill our obligations as trustees." (p.79)

"A business transaction does not begin and end with the transfer of goods and payment of money; in addition, it involves the consideration of one's duties to one's fellow men." (p.155)

"We do not live unto ourselves, and the more we realize the repercussions of our actions on our neighbors and strive to act according to the highest we are capable of, the more shall we advance in our spiritual development." (p.73)

i) "How Modern Agriculture-Based Villages Can Contribute to the Continuity of Peaceful Human Settlements"....

[Note: From a newsletter which was part of an outreach effort made by this writer in 1991]

A Modern Agriculture-Based Village can:

Contribute to community and regional decision-making

--by giving anyone the opportunity to experience first hand what products and innovations are basic and essential to individual, community, and regional well-being

--by providing an estimate of sustainable resources carrying capacity, and therefore an indication concerning limits to population growth

--by encouraging regional and international sister villages for security networks in case of natural

disasters, for the benefit of exchange programs, etc.

Contribute comparable individual and environmental health care at less cost

- by providing healthy locally grown food
- by providing jobs that involve regular healthy exercise
- by creating more contributing roles for the elders of the village
- by creating more extended family support
- by creating more easily arranged child care
- by offering apprenticeship and production facilities for emotionally and physically (challenged) people
- by reducing emotional stress relating to continuous complex crisis management
- by offering games, chores, village dances, fairs, celebrations, and holidays all of which provide a continuous variety of positive social activities—without a need for drugs (or alcohol)
- by decreasing the need for expensive entertainment and excessive material accumulation
- by decreasing criminal activity and violence, and therefore the violent means of protection required to guard against such experiences
- by decreasing the welfare and human services required from the state budget
- by increasing consumption of local products made without creating toxic waste
- by increasing recycling and reducing consumption, and therefore reducing the state garbage disposal budget
- by decreasing the number of cars on the road, and therefore the number of car-related accidents, and the amount of car-related pollution
- by increasing the awareness of local healthy water resources and how to maintain them
- by offering job apprenticeships as university curriculum, visits for community and regional planning insight, and visits to a health resort, social center, and peace settlement—and thereby securing revenues for complex medical products and surgical services (and for other products and services that cannot be produced locally)
- by offering all villagers a work environment that is relatively safe and beautiful

C. Increasing Transitional Employment

1) From German military report on the Implications of Peak Oil

From report “Armed Forces, Capabilities and Technologies in the 21st Century Environmental Dimensions of Security: Sub-study 1 Peak Oil--Security Policy Implications of Scarce Resources” (112 pages) The study was produced by the Future Analysis department of the Bundeswehr Transformation Center, a branch of the German military (Lead Author: Lt. Col. Thomas Will) Bundeswehr Transformation Centre Future Analysis Branch Prötzelner Chaussee 25 15344 Strausberg November 2010 www.zentrum-transformation.bundeswehr.de ztransfbwdezzukunftsanalyse@bundeswehr.org [Special Note: “The [original](#) German document (125 pgs) was approved for public release last November, yet neither the complete German version nor the partial English translation has attracted interest from mainstream media.” From article “**Complete English translation of German military analysis of peak oil now available**” by Rick Munroe Published Aug 30 2011 by Energy Bulletin (see <http://energybulletin.net/stories/2011-08-30/complete-english-translation-german-military-analysis-peak-oil-now-available>) (confirmed August 31, 2011)]

- Access to complete English translation pdf file provided in “Complete English translation...” article by Rick Munroe at Energy Bulletin website (at <http://energybulletin.net/stories/2011-08-30/complete-english-translation-german-military-analysis-peak-oil-now-available>)

a) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Restrictions in Private and Goods Transportation” (p. 49, paragraph 2 and 3)

“Given that no sufficient alternatives on the basis of regenerative energy sources have been established for transportation, peak oil is likely to cause a substantial rise in costs and possibly huge restrictions in motorised private transportation. This would have immediate effects on the functional mechanisms and ways of life of modern industrialised societies. Sudden shortages could be eased with the use of regulatory or voluntary measures (‘mobility vouchers’, ‘car-free Sunday’ etc.). However, suburban settlement structures in industrialized countries in particular (living in the suburb - working in the city centre) hamper a rapid transformation of private transportation. If the restrictions are considerable, all economic sectors concerned – from the automobile industry through the construction business to tourism – would experience a downturn. *The ‘mobility crisis’ could turn into an important new aspect of the economic crisis.*” (this writer’s italics)...

...“*A possible consequence would be bottlenecks in the supply of existentially important goods.*” (this writer’s italics)

b) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Upheaval in Economic Structures”

(p. 54, paragraph 1)

“...it is not possible to rule out considerable frictions on the labour market. New economic sectors, jobs and market opportunities can indeed develop in the wake of post-fossil transformation. This economic upheaval could, however, initially result in significant transformation unemployment. It is regarded as a special form of structural unemployment that can evolve as a result of profound changes in transformation countries. Most importantly, a devaluation of employees’ human capital may occur because the change in structure causes thus far fully adequate qualifications to be replaced by other qualification requirements. Depending on its scope and duration, transformation unemployment could develop into a major economic problem.”

(p. 54, paragraph 2 and Footnote #144)

“The intended transition towards a post-fossil society, however, confronts everyone with the same challenge because there are no best-practice models. Owing to the novelty of the situation there cannot be any such models yet.”

Footnote #144: “ Most importantly in the US, there are already programmes available on a local level that deal very seriously with the preparation for peak oil. Overall, there is a trend in some population groups towards ‘resilient communities’. A very good example is a study carried out by the city of Bloomington (Indiana), <http://bloomington.in.gov/media/media/application/pdf/6239.pdf> (accessed on 13 October 2010).”

c) From Chapter 3 “Possible Developments After Global Peak Oil”; Section 3.1 “Possible Peak Oil Induced Implications”; Section 3.1 “Possible Peak Oil Induced Implications”; Subsection 3.1.4 “Intra-Societal Risks of Peak Oil”; subtitle “Loss of Confidence Amongst Society” (p. 54, paragraph 3; p. 55, paragraph 1)

“Historical case studies reveal that only continuous improvement of individual living conditions provide the basis for tolerant and open societies. Empirical studies for the OECD region also prove that setbacks in economic growth can lead to an increase in the number of votes for extremist and nationalistic parties.”

“On the other hand, it cannot be ruled out that the people’s confidence in state institutions as well as politics would be considerably shaken. This confidence is likely to dwindle even more in societies in which it is already weak – in particular if it is becoming obvious in crisis regions that governments have in the past failed to develop suitable solution strategies and provide orientation for society during this period of transition (this writer’s italics). This personalised loss of confidence, which can express itself, for example, in ‘dressing down’ politicians, could – depending on intensity and duration – consolidate into a general and lasting crisis of confidence towards central national institutions and their ability to solve problems. A society, however, cannot survive without confidence. Sullenness with politics can give rise to lethargy or fatalism and can increase the likelihood of growing political instability and extremism. Via indirect legitimisation chains, this national loss of confidence could also have a negative impact on the legitimisation, functionality and actionability of supranational organisations and institutions as well.”

From Chapter 5 “Conclusion” (p.91, paragraph 1 and 2)

“When considering the consequences of peak oil, no everyday experiences and only few historical parallels are at hand. It is therefore difficult to imagine how significant the effects of being gradually deprived of one of our civilisation’s most important energy sources will be. *Psychological barriers cause indisputable facts to be blanked out and lead to almost instinctively refusing to look into this difficult subject in detail.* (this writer’s italics)

“Peak oil, however, is unavoidable. This study shows the existence of a very serious risk that a global transformation of economic and social structures, triggered by a long-term shortage of important raw materials, will not take place without frictions regarding security policy. The disintegration of complex economic systems and their interdependent infrastructures has immediate and in some cases profound effects on many areas of life, particularly in industrialised countries.”

2) Persistent ironies

From this writer

a) One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.

b) The idea that so many people in the world could be without a way to earn a living at a time when there is so much critical work to do simply does not speak well of those people and organizations in a position to direct significant financial resources along the lines of solution-oriented activity.

3) Community Visioning Initiatives, Job Fairs, and Local Currencies

a) Local Currency and a Just Transition to More Solution-Oriented Employment

--From <http://www.berkshares.org/whatareberkshares.htm>

“The purpose of a local currency is to function on a local scale the same way that national currencies have functioned on a national scale—building the local economy by maximizing circulation of trade within a defined region. Widely used in the early 1900s, local currencies are again being recognized as a tool for sustainable economic development. The currency distinguishes the local businesses that accept the currency from those that do not, building stronger relationships and a greater affinity between the business community and the citizens of a particular place.”

--From p. 30 of “The IPCR Journal/Newsletter (Winter 2010-2011 issue)”

“The job fairs which come at the end of the Community Visioning Initiative process advocated by The IPCR Initiative provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc.) to demonstrate their upgraded awareness—and their interest in the welfare of the community—by offering and facilitating new employment opportunities... and thus helping with a *just transition from patterns of investment which in only limited ways represent solutions to prioritized challenges to patterns of investment which in many ways represent solutions to prioritized challenges.*

“One aspect of this just transition can be that people who do deliberately focus their investments of time, energy, and money towards solutions identified by the Community Visioning Initiative being carried out in their community may receive, as encouragement, local currency. And then such local currency can, in its turn, be redeemed in ways which can be particularly helpful to people transitioning from less solution-oriented employment to more solution-oriented employment.”

b) More about local currencies

From the Wikipedia page for “Local Currency” (see section “Benefits”, #3)

“Since local currencies are only accepted within the community, their usage encourages the purchase of locally-produced and locally-available goods and services. Thus, for any given level of economic activity, more of the benefit accrues to the local community and less drains out to other parts of the country or the world. For instance, construction work undertaken with local currencies employs local labor and utilizes as far as possible local materials. The enhanced local effect becomes an incentive for the local population to accept and utilize the scrips.”

From the "What are Berkshares?" webpage, at <http://www.berkshares.org/whatareberkshares.htm>

"BerkShares are a local currency for the Berkshire region of Massachusetts. Dubbed a "great economic experiment" by the *New York Times*, BerkShares are a tool for community empowerment, enabling merchants and consumers to plant the seeds for an alternative economic future for their communities. Launched in the fall of 2006, BerkShares had a robust initiation, with over one million BerkShares having been circulated in the first nine months and over 2.7 million to date. Currently, more than four hundred businesses have signed up to accept the currency. Five different banks have partnered with BerkShares, with a total of thirteen branch offices now serving as exchange stations. For BerkShares, this is only the beginning. Future plans could involve BerkShares checking accounts, electronic transfer of funds, ATM machines, and even a loan program to facilitate the creation of new, local businesses manufacturing more of the goods that are used locally. "

From essay "Local Currencies: Catalysts for Sustainable Regional Economies" (An essay based on one of the Eighth Annual E. F. Schumacher Lectures, presented by Robert Swann in 1988; edited by Hildegard Hannum) (at <http://neweconomicsinstitute.org/publications/authors/witt/susan/local-currencies>)

"In the summer of 1991 Paul Glover heard a radio interview with Schumacher Society staff about the Deli Dollars and Berkshire Farm Preserve Notes. The story inspired him to issue [Ithaca Hours](#) in his hometown of Ithaca, New York, as a way to create more local jobs and more security for Ithacans who are underemployed. Ithaca Hours has grown from its small grass-roots beginning to include over a thousand individuals and stores. The scrip can buy food items, construction work, professional services, health care, and handicrafts. Each Ithaca Hour is worth ten dollars-the average hourly wage in Tompkins County-so the five thousand Ithaca Hours (or \$50,000) in circulation have increased local economic transactions by several hundred thousand dollars annually.

"Individuals and stores agreeing to accept Ithaca Hours notes are issued two free Hours to begin trading and are listed in the free monthly paper, *Ithaca Money*. This newspaper features articles about the local economy and tells the stories of small home-businesses that have prospered by accepting payment in scrip. Only Ithaca Hour vendors can advertise in *Ithaca Money*, and although the ad will run for two months, it costs only half an Hour (five dollars).

"Consumers are led to shop locally because Ithaca Hours can be used only in Ithaca. One market farmer who had difficulty paying bills during the winter was able to secure a loan in Ithaca Hours from a customer who had accumulated more than she could use. She preferred to recirculate them rather than let them lie idle. The farmer's family paid for child care, movie tickets, and other goods and services in Ithaca Hours and then repaid the loan in produce in the summer. The Alternative Credit Union in Ithaca accepts partial repayment of mortgage loans in Hours because its employees have agreed to accept part of their salaries in scrip.

"Ithaca Hours is a local currency system that promotes local economic strength and community self-reliance in ways which will support economic and social justice, ecology, community participation and human aspirations in and around Ithaca, New York. Ithaca Hours help to keep money local, building the Ithaca economy. It also builds community pride and connections. Over 900 participants publicly accept Ithaca HOURS for goods and services. Additionally some local employers and employees have agreed to pay or receive partial wages in Ithaca Hours, further continuing our goal of keeping money local."

D. About the “Interfaith” in Interfaith Peacebuilding

1) “Some of the challenges of our times are at the very core of the difficulty of being human beings....”

[From (Draft) Section #7 A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions (“Commentary” piece) Part of a larger project “The IPCR Critical Challenges Assessment 2011”; complete text—5 pages—in Appendix K]

“One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.

‘Were I to have the least bit of knowledge, in walking on a Great Road,
it’s only going astray that I would fear.
The Great Way is very level;
but people greatly delight in tortuous paths.’

“Some of the challenges of our times are at the very core of the difficulty of being human beings, and are challenges which people have faced since the beginning of time. Some of the challenges are circumstantial: during times when there is much prosperity many people may not recognize these fields of activity as problematic... and yet, such activities may contribute much to the persistent irony mentioned above. And some of the challenges may be considered the result of a kind of spiritual sickness: people with clear opportunities for walking on a Great Road are instead ‘greatly delighting in tortuous paths’”.

2) “And what is possible along the lines of wisdom and compassion?”

[From (Draft) Section #7 A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions (“Commentary” piece) Part of a larger project “The IPCR Critical Challenges Assessment 2011”; complete text—5 pages—in Appendix K]

“The challenges of our times are such that it is now critical for us to access the storehouses of wisdom and compassion which have accumulated over the many centuries of human experience, and which have been confirmed again and again as essential to individual well-being and social harmony by the saints, sages, spiritual leaders, and sincere practitioners of all religious, spiritual, and moral traditions.

“Many people may think it is naïve to imagine that people from so many diverse religious, spiritual, moral, and cultural traditions can decide to come together in such a way as to not only encourage, but participate in, a high percentage of constructive thinking and constructive action in response to the difficult challenges ahead (as in the high levels of participation encouraged by comprehensive Community Visioning Initiatives). From this writer’s point of view, such skepticism and cynicism depend for their existence on doubts as to whether it is possible for people to achieve highly advanced forms of wisdom and compassion through genuine instruction and sincere effort. *Thus it is that there is a great responsibility on those people who are in any way representatives of religious, spiritual, and/or moral*

traditions—to demonstrate what is possible along the lines of wisdom and compassion, to provide genuine instruction when sincere efforts are being made, to contribute to the greater good of the whole, and to help restore confidence in the higher values of life.

“And what is possible along the lines of wisdom and compassion? How many of us would say that we are fully aware of what is possible along the lines of wisdom and compassion? What would the everyday circumstances of our community life be like if many of us *were* fully aware of what is possible along the lines of wisdom and compassion? Many of us *could be* much more familiar with what is possible... unfortunately, much of the real treasured wisdom of religious, spiritual, and moral traditions now seems to be hidden—and thus in need of being re-discovered. These “hidden” resources include teachings which inspire and encourage people to

- a) place a high priority on the development of truth, virtue, love, and peace—and live disciplined lives for the purpose of adhering to truth, cultivating virtue and love, and maintaining the pathways to enduring peace
- b) sacrifice personal desires for the greater good of the whole
- c) find contentment and quality of life while consuming less material goods and ecological services
- d) prefer peacebuilding which supports and actualizes mutually beneficial understandings, forgiveness, and reconciliation—and *which abstains from violent conflict resolution*—as a way of bringing cycles of violence to an end
- e) use resources carefully, so that there is surplus available for emergency assistance
- f) support community life and cultural traditions which “... bring to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it.

“In other words, this writer believes that human morality is not a constant—it is not something which is the same throughout the centuries of human existence; and thus it is something which can become degraded or raised up, depending on the leanings of human aspirations.

“This writer believes it is becoming more and more likely that an exponential increase in compassion for our fellow human beings will need to become an essential and critical element of a truly comprehensive response to the challenges of our times. In such circumstances, we cannot afford to exclude from our “tool box” the time-tested sources which have helped people learn compassion over many centuries. What we need to do instead is to learn how to cultivate the time-tested sources so that the sources yield the treasured wisdom.”

3) “Commitment to Global Peace” document from The Millenium World Peace Summit of Religious and Spiritual Leaders (2000)

From “Commitment to Global Peace” The Millenium World Peace Summit of Religious and Spiritual Leaders (2000) Document is an outcome of the The Millenium World Peace Summit of Religious and Spiritual Leaders, August 28-31, 2000. For more about this World Peace Summit, see the website for The World Council of Religious Leaders, and visit the “About the Summit” page, at http://www.millenniumpeacesummit.com/mwps_about.html . The document “Commitment to Global Peace” can be accessed from the right side of any page at that website. (Confirmed July 31, 2011)

Humanity stands at a critical juncture in history, one that calls for strong moral and spiritual leadership to help set a new direction for society. We, as religious and spiritual leaders, recognize our special responsibility for the well-being of the human family and peace on earth.

Whereas the United Nations and the religions of the world have a common concern for human dignity, justice and peace;

Whereas we accept that men and women are equal partners in all aspects of life and children are the hope of the future;

Whereas religions have contributed to the peace of the world but have also been used to create division and fuel hostilities;

Whereas our world is plagued by violence, war and destruction, which are sometimes perpetrated in the name of religion;

Whereas armed conflict is a dire tragedy for the human lives ruined and lost, for the larger living world, and for the future of our religious and spiritual traditions;

Whereas no individual, group or nation can any longer live as an isolated microcosm in our interdependent world, but rather all must realize that our every action has an impact on others and the emerging global community;

Whereas in an interdependent world peace requires agreement on fundamental ethical values;

Whereas there can be no real peace until all groups and communities acknowledge the cultural and religious diversity of the human family in a spirit of mutual respect and understanding;

Whereas building peace requires an attitude of reverence for life, freedom and justice, the eradication of poverty, and the protection of the environment for present and future generations;

Whereas a true culture of peace must be founded upon the cultivation of the inner dimension of peace, which is the heritage of the religious and spiritual traditions;

Whereas religious and spiritual traditions are a core source of the realization of a better life for the human family and all life on Earth.

In light of the above, and with a view to discharging our duty to the human family, we declare our commitment and determination:

1. To collaborate with the United Nations and all men and women of goodwill locally, regionally and globally in the pursuit of peace in all its dimensions;

2. To lead humanity by word and deed in a renewed commitment to ethical and spiritual values, which include a deep sense of respect for all life and for each person's inherent dignity and right to live in a world free of violence

3. To manage and resolve nonviolently the conflicts generated by religious and ethnic differences, and to condemn all violence committed in the name of religion while seeking to remove the roots of the violence;
4. To appeal to all religious communities and ethnic and national groups to respect the right to freedom of religion, to seek reconciliation, and to engage in mutual forgiveness and healing;
5. To awaken in all individuals and communities a sense of shared responsibility for the well-being of the human family as a whole and a recognition that all human beings regardless of religion, race, gender and ethnic origin have the right to education, health care, and an opportunity to achieve a secure and sustainable livelihood;
6. To promote the equitable distribution of wealth within nations and among nations, eradicating poverty and reversing the current trend toward a widening gap between rich and poor;
7. To educate our communities about the urgent need to care for the earth's ecological systems and all forms of life and to support efforts to make environmental protection and restoration integral to all development planning and activity;
8. To develop and promote a global reforestation campaign as a concrete and practical means for environmental restoration, calling upon others to join us in regional tree planting programs;
9. To join with the United Nations in the call for all nation states to work for the universal abolition of nuclear weapons and other weapons of mass destruction for the safety and security of life on this planet;
10. To combat those commercial practices and applications of technology that degrade the environment and the quality of human life;
11. To practice and promote in our communities the values of the inner dimension of peace, including especially study, prayer, meditation, a sense of the sacred, humility, love, compassion, tolerance and a spirit of service, which are fundamental to the creation of a peaceful society.

We, as religious and spiritual leaders, pledge our commitment to work together to promote the inner and outer conditions that foster peace and the nonviolent management and resolution of conflict. We appeal to the followers of all religious traditions and to the human community as a whole to cooperate in building peaceful societies, to seek mutual understanding through dialogue where there are differences, to refrain from violence, to practice compassion, and to uphold the dignity of all life.

Bawa Jain, Secretary General of the Millennium World Peace Summit of Religious and Spiritual Leaders

- 4) From article "The Interfaith Movement in the 20th Century" by Marcus Braybrooke

From article "The Interfaith Movement in the 20th Century" by Marcus Braybrooke (Author, and Trustee of the International Interfaith Centre, World Congress of Faiths, Council for a Parliament of the World's Religions, and the Peace Council) in "Dialogue among the faith communities"

by Lucien F. Cosijns, Marcus Braybrooke Hamilton Books July, 2008 (passage accessible at google books)

“The interfaith organizations accept that most of their members will be loyal and committed members of a particular faith community. Respect for the integrity of other peoples' faith commitment and religious practices is essential. A few members of interfaith organizations may have no specific allegiance and describe themselves as seekers. While aware of the distinctiveness of the world religions, members of interfaith organizations hope that some basis of unity exists or may be discovered, although the nature of the relationship of religions to each other is still much debated. For some people the unity rests upon our common humanity; for others there is an essential agreement between religions on moral values; for others there is a mystical unity, by which they mean that religious experience is ultimately the same and that differences are a matter of culture and language; others hope that through dialogue religions will come closer together and grow in their understanding of the Truth; others stress the need of religious people to work together for peace and justice and the relief of human suffering; for some, it is enough that there should be tolerance and respect, without bothering about questions of truth. All these shades of opinion and many more are reflected within interfaith organizations, which have generally avoided trying to define the relationship of religions. For them, the search for understanding and cooperation is urgent in itself.”

5) InterAction is the largest alliance of U.S.-based international nongovernmental organizations (NGOs)

From the “About Interaction” webpage, at <http://www.interaction.org/about-interaction>

“InterAction is the largest alliance of U.S.-based international nongovernmental organizations (NGOs), with more than 190 members working in every developing country. Members are faith-based and secular, large and small, with a focus on the world’s most poor and vulnerable populations.

“The U.S. public, foundations and others support the efforts of our membership via funding totaling more than \$13 billion a year, according to 2009 estimates. InterAction’s funds come from dues and generous grants from others, such as foundations.

“Using its collective voice, InterAction seeks to shape important policy decisions on relief and long term development issues, including foreign assistance, the environment, women, health, education and agriculture. Members are at the forefront in responding to humanitarian crises and disasters worldwide and InterAction acts as a hub in these efforts.

“InterAction tracks where members work via interactive mapping tools, such as one used after the 2010 earthquake in Haiti and another which plots food security projects. Our flagship monthly publication, Monday Developments, and other policy papers and documents, showcase the work of our members and highlight trends and best practices in the sector.

“Alliance members adhere to standards drawn up by InterAction, which aim to ensure accountability and transparency in financial management, fundraising, governance and program performance.”

6) Religions for Peace

a) From the “Mission Statement” webpage, at <http://www.religionsforpeace.org/about/>

“*Religions for Peace* is the largest international coalition of representatives from the world’s great religions dedicated to promoting peace.

“Respecting religious differences while celebrating our common humanity, *Religions for Peace* is active on every continent and in some of the most troubled areas of the world, creating multi-religious partnerships to confront our most dire issues: stopping war, ending poverty, and protecting the earth.

“Religious communities are the largest and best-organized civil institutions in the world, claiming the allegiance of billions across race, class, and national divides. These communities have particular cultural understandings, infrastructures, and resources to get help where it is needed most.

“Founded in 1970, *Religions for Peace* enables these communities to unleash their enormous potential for common action. Some of *Religions for Peace’s* recent successes include building a new climate of reconciliation in Iraq; mediating dialogue among warring factions in Sierra Leone; organizing an international network of religious women’s organizations; and establishing an extraordinary program to assist the millions of children affected by Africa’s AIDS pandemic, the Hope for African Children Initiative.

b) “Global Network of Women of Faith”

From <http://www.religionsforpeace.org/initiatives/women/>

“*Religions for Peace* recognizes that women of faith around the world have enormous capacities for leadership and effective action in all areas of human development.

“The Women’s Mobilization Program was established in 1998 to advance the role of religious women in international development, peace-making and post-conflict reconstruction. The two overarching aims of the program are to ensure that the concerns and perspectives of women are mainstreamed in all of *Religions for Peace’s* programming and to build the capacity of religious women of faith organizations to engage in peace building and sustainable development.

“In 2001, the program launched the first-ever Global Network of Women of Faith. The growing network serves as an increasingly valuable resource for women of all faiths to communicate and learn from each other and to build bridges between faith-based organizations and major international agencies. At present, the Global Network includes more than 1,000 Buddhist, Christian, Hindu, Jewish, Muslim, Indigenous, Sikh and Zoroastrian religious women’s organizations. Some organizations in the network have a membership as large as 5,000 groups, while others have less than five. More recently, the program inaugurated four regional women of faith sub-networks in Africa, South East Europe, Latin America and the Caribbean, and Southeast Asia.”

7) United Religions Initiative

a) From http://www.uri.org/about_uri

“URI (United Religions Initiative) is an internationally recognized interfaith network active in 78 countries with its global office in San Francisco, California. We cultivate and connect grassroots change-makers across religious, cultural and geographic boundaries, harnessing their collective power to take on religiously motivated violence and social, economic and environmental crises that destabilize regions and contribute to poverty.

“Since the signing of our charter in 2000, we have touched the lives of millions of people of different faiths around the world through a network of 527 interfaith Cooperation Circles (CCs), whose members number half a million. Locally rooted, these groups and organizations engage people of different faiths and traditions to work together for the good of their communities. CCs address issues as diverse as AIDS, economic empowerment, civil war orphans, climate change and urban conflict. URI is the common thread, connecting them around shared principles, amplifying their voices and helping transform them from local actors into powerful coalitions for regional and global change.”

b) From http://www.uri.org/cooperation_circles

“Interfaith Cooperation Circles (CCs) are the heart of URI. Independently organized, self-governing and self-funding, they build cooperation among people of all faiths and traditions to address the most pressing issues facing their collective communities, including poverty, religiously motivated violence, environmental degradation and more.

“Some examples of CC work include:

- Winning full citizenship for poor and disenfranchised brick workers in Pakistan
- Rescuing “child soldiers” in the Ugandan civil war
- Brokering a truce between factions of the Christian church in Kerala, India
- Working with government officials, teachers and police to increase social cohesion and stem violence before it starts in urban areas of Catalonia
- Urban reforestation in New Delhi, India
- Helping religious and cultural minorities in the conflict-prone province of Mindanao, Philippines have their voices heard by government officials in Manila

“Cooperation Circles range in size from a minimum of seven members to tens of thousands, representing at least three faiths or traditions, including the non-religious, and subscribe to the shared vision outlined in URI’s Charter. They are connected to one another and the global URI network through eight regional anchor points, where regional coordinators help CCs build capacity, organize regional gatherings and trainings, and seed new CCs. URI’s global office in San Francisco provides support for regional leaders, maintains a global communications network, organizes conferences to bring CCs together from all over the globe, and supports three global initiatives, the Traveling Peace Academy, the Young Leaders Program and the Environmental Satellite.”

c) From http://www.uri.org/cooperation_circles/create_a_cooperation_circle

“URI adds new Cooperation Circles (CCs) each month. CCs are created by people who share a common vision: that our religious and spiritual lives, rather than divide us, can guide us to build community and respect for one another. When you and your group create a Cooperation Circle you become part of an extraordinary force for good in the world.

“A Cooperation Circle is formed to initiate acts of interfaith cooperation and peacebuilding. CCs share perspectives from different traditions; offer humanitarian relief; organize music festivals; clean rivers, offer hospice counseling; develop educational programs; create opportunities for intercultural encounter and interfaith reflection, and a host of other activities.”

8) Interfaith Youth Core

From article “[Dynamic Nonprofit Seeks Campus Engagement Associate](#)”, in the May, 2011 newsletter of the “Education and Spirituality Network” (homepage at <http://interspirit.net/eastnet/eastnet.cfm>)

[Note: First, here is the welcome information from the “Education and Spirituality Network” homepage...

“Welcome to the Education and Spirituality Network. Our contacts with educators who are involved in the work of exploring the role of religious diversity and spirituality in education indicate a growing need for sharing information about who we are and what we are doing. Consequently we have developed this directory to provide information about, and links to, individuals and organizations who have become part of this growing movement. There is no charge for this service.

“Here’s what you need to do in order to become listed:

- Create an account for yourself on our network ([click here](#)). You will be sent a username and password, and have the option to receive our email newsletter and announcements.
- Then, log in to the network and complete our application form to provide your individual and organizational contact information and details about the work you do. It will be submitted to a system administrator and, if approved, will be posted to the directory.

You will be able to log in the network at any time to change the information on your form whenever necessary. Please keep it updated for your benefit and for the benefit of others trying to contact you.

(reproduction of article from newsletter referred to above)

DYNAMIC NONPROFIT SEEKS CAMPUS ENGAGEMENT ASSOCIATE

Position Offered: CAMPUS ENGAGEMENT ASSOCIATE Full Time Position

Position Available: Immediately

Summary of Organization: Interfaith Youth Core (IFYC) seeks to make interfaith cooperation a social norm. Too often, religion is seen as a barrier of division. IFYC believes faith can be a bridge of cooperation, strengthening our civil society and promoting the common good. Just as civil rights leaders and environmentalists built transformative movements in the 20th century, IFYC believes that interfaith leaders will build the movement for interfaith cooperation in the 21st century.

Since 2002, IFYC has worked on five continents and with over 200 college and university campuses, training thousands in the principles of interfaith leadership, and reaching millions through the media. We have worked with partners including the Tony Blair Faith Foundation, the White House, and the Office of Her Majesty Queen Rania of Jordan.

Summary of Campus Partnerships Program: In the last five years, IFYC has worked on over 200 college campuses to spread the message of interfaith cooperation and develop young leaders. Based on this experience, IFYC’s Campus Partnerships department now develops and implements collaborative partnerships with colleges and universities to transform their campuses into model environments of interfaith cooperation. IFYC has three primary types of campus engagements:

1. **Outreach Engagement:** one to two day trips focused on training student leaders or campus staff while working with key stakeholders to advance a deeper partnership with IFYC
2. **Deep Programmatic Engagement:** six to twelve month engagements with a heavy programmatic component designed to impact a targeted segment or program on campus (e.g., first year students, a particular school within the college, a seminar series); and
3. **Model Campus Engagement:** A two to three year partnership with a campus that follows the phases “Assessment and Planning,” “Program Implementation,” and “Evaluation and Sustainability.” Over the course of the three-phased engagement, IFYC partners with campus stakeholders to build an institution-wide culture of interfaith cooperation that will be a model within higher education.

Responsibilities:

A Campus Engagement Associate builds, manages, and grows relationships with campus stakeholders—students, staff, faculty, administration, and community members. To build, maintain, and grow these relationships, Campus Engagement Associates have three primary responsibilities:

1. Serve as the key relationship manager for a portfolio of partner campuses with an emphasis on advancing the relationship to a customized and expanded commitment to interfaith cooperation;
2. Design and deliver the programmatic elements comprising all three types of campus engagements (e.g., student leader trainings, Better Together campaign support, stakeholder asset mapping meetings, campus climate assessment surveys, strategic planning sessions, staff and faculty workshops, etc.); and
3. Codify knowledge gained through engagements to help design and refine new programmatic elements, train, and learn from fellow campus engagement associates and improve organizational knowledge about best practices in advancing interfaith cooperation on campuses.

Notes: Associate will spend 35% of his/her time traveling to colleges and universities across the country and can expect to work occasional evenings and weekends.

Supervision: Reports to the Director of Campus Partnerships

Qualifications:

Candidates should possess:

- BA (required) / Advanced degree (preferred) in a related field, including religious studies, education, sociology, higher education, etc.
- Strong competence in Microsoft Office (Word, PowerPoint, Excel)
- A high level of religious literacy
- 2-3 years professional experience in a related field, including higher education, youth leadership,

interfaith work, etc.

- Project management and public speaking experience
- Curriculum design and consulting experience a plus

Essential Qualities:

- Passionate commitment to IFYC’s mission (making interfaith cooperation a social norm)
- Excellent skills in writing, communication, and presentation
- Leadership skills and the ability to build and manage teams
- Ability to multi-task and balance several ongoing projects
- Collaborative nature; flexibility and agility in problem-solving
- Ability to meet deadlines and work well under pressure
- Excellent interpersonal skills; ability to interact with college-aged youth from diverse backgrounds as well as higher education faculty and professionals

Please submit cover letter and resume to opportunities@ifyc.org by May 31, 2011.

9) The IPCR Initiative Mission Statement

From <http://www.ipcri.net/MissionStatement.html>

The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative is an effort to facilitate the practical application of the Eight IPCR Concepts (“Community Good News Networks,” “Community Faith Mentoring Networks,” “Spiritual Friendships,” “Questionnaires That Help Build Caring Communities,” “Community Visioning Initiatives for Peace,” “Spiritually Responsible Investing,” “Ecological Sustainability,” and “IPCR Journal/Newsletters”)—at the community and regional level—as a way of contributing to the following goals:

- a) “... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help as well as to those who receive it.”
- b) increasing our collective capacity to encourage and inspire individual spiritual formation—with all the beneficial consequences that follow for individuals, communities, regions. etc.
- c) building trust among people from different faith communities and cultural traditions
- d) increasing our capacity to be responsible stewards of our time, energy, and money
- e) increasing our capacity to access what is necessary for basic human needs and quality of life through principles and practices of ecological sustainability and permaculture, especially in light of the implications of global warming, ecological footprint analysis, and the “peaking” of our finite supplies of oil
- f) increasing our awareness of the countless number of ‘things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in our own communities and regions—and in other parts of the world

- g) reducing the incidence of violence—and all the costs associated with war
- h) increasing emergency assistance to people with basic human needs
- i) reflecting an understanding of the value of silence
- j) creating local community and regional publications that provide a format for sharing the good news which would be identified, encouraged, supported, and sustained by contributions to the first 9 goals

10) Brief Descriptions: “Community Faith Mentoring Networks”, “Spiritual Friendships”, and “Spiritually Responsible Investing”

[Note: The following three concepts are 3 of the Eight IPCR Concepts in the IPCR document “Brief Descriptions of The Eight IPCR Concepts”, which is included as Appendix D in this “Multi-Angle” document.]

--“Community Faith Mentoring Networks”

A “Faith Mentor” can be defined as “a person, who by word, action, and presence, models a meaningful lifestyle, clarifies important life issues, and provides guidance for deepening spirituality in a caring and accepting environment.”¹

Do most of us believe that we already have a “faith mentor” in our lives, and are progressing, consciously and deliberately, towards the full realization of our spiritual potential? Those of us who have had a “faith mentor” in our lives, or have one now, know how much of a difference such a person has made in our lives... surely, we can then sympathize with others who would like to have such a person in their lives, but do not.

While the development of a faith mentoring relationship often takes place within a particular faith community, “Community Faith Mentoring Networks” would be a partnership among many different places of worship and faith traditions, for the purpose of 1) increasing our collective capacity to encourage and inspire individual spiritual formation—with all the beneficial consequences that follow for individuals, communities, regions, etc. and 2) building trust among people from different faith communities and cultural traditions.

Applied at the local community and regional level, “Community Good News Networks” and “Community Faith Mentoring Networks” can create ongoing opportunities for people of one particular faith community or cultural tradition to experience the highest ideals of all local community specific and regional specific faith communities and cultural traditions, as representatives of such ideals are better appreciated, more easily recognized—and more numerous— in the everyday circumstances of community life.

Summary Statement: We reap what we sow.

Related Fields of Activity—individual spiritual formation, inspiring role models, right livelihood

Example Question for Discussion:

Please complete the following sentence (in as many ways as you believe might be helpful to people who might read what you have written).

“If only there was a way to _____.”

--“Spiritual Friendships”

Currently, the “deepening of spirituality in a caring, accepting environment,” mentioned in connection with the “faith mentor” definition, is most often achieved within the context of specific faith communities, and faith-oriented family environments. This “deepening of spirituality in a caring, accepting environment” can be deliberately accelerated by the cultivation of “Spiritual Friendships.”

One way of developing “Spiritual Friendships” is as follows... Within a particular faith community—or among people from different religious, spiritual, or moral traditions—small groups are formed which would include the following three elements: 1) Participants (at least most participants) declare an intention to take a specific step towards achieving a goal associated with their personal spiritual growth (By making such a declaration, participants will thereby be motivated to “do their homework” before the next meeting... that is, they will, by their desire to be true to their word—and by their desire to encourage the integrity of the process as a whole—feel some sense of urgency and responsibility about making an honest effort related to their declaration.) 2) All participants are provided with an opportunity, in a respectful and considerate small group environment, to speak about their efforts they made in the interval between meetings 3) Participants have the right to choose how they will benefit from the small group process (they can choose to speak about their efforts, or choose not to speak about them; they can seek feedback or encouragement, or prefer no response; they can remain silent and listen, etc.)

Summary Statement: “Spiritual Friendships” are relationships based on a sense of responsibility and accountability in association with the process of individual spiritual formation—and thus inspire, encourage, and support honest efforts associated with specific spiritual goals.

Related Fields of Activity—interfaith dialogue, spiritual discipline, building community

Example Question for Discussion:

For the question below, please check the box (or boxes) which best corresponds to the way you view the following statement:

“Most people making efforts to realize their spiritual potential need to live in caring communities, so that they can find support from association with kindred spirits.”

agree

agree in some way

have different view--
or different way of
understanding our
present circumstances

disagree in
some ways

disagree

Your different view, or different way of understanding our present circumstances:

--“Spiritually Responsible Investing”

The way we “invest” our time, energy, and money has a direct impact on the “ways of earning a living” that are available.

As J.C. Kumarappa expresses it in his book “Why the Village Movement?": “A buyer hardly realizes he owes any duties at all in his everyday transactions.”⁶ (And yet), “... every article in the bazaar has moral and spiritual values attached to it... Hence it behooves us to enquire into the antecedents of every article we buy.”⁷ But, as we ourselves well know, the task of inquiring into the moral or spiritual history of every article we buy (and, similarly, the task of inquiring into the consequences of our “investments” of time and energy) is becoming increasingly complex... and is, for most of us, simply beyond our capacity to accomplish.

This level of complexity in our everyday circumstances should not discourage us to the point of abdicating our roles as responsible stewards of our time, energy, and money—for that would only increase the distrust and violence we are, hopefully, trying to minimize. Instead, we can make it a priority to carefully channel our “investments” of time, energy, and money into activities which are in accordance with our spiritual convictions or core values (as indicated by a full disclosure of information, which is readily available)—and which are in accordance with circles of activity which are closer to the community we live in [“The smaller the circumference, the more accurately can we gauge the results of our actions and (the) more conscientiously shall we be able to fulfil our obligations as trustees.”⁸]

As a way of encouraging new exploration into the concept of “Spiritually Responsible Investing”, here are three propositions, and one definition. [Note: The following propositions and definition were first offered in the IPCR document “Spiritually Responsible Investing: Integrating Spiritual Wisdom into the Everyday Circumstances of Community Life” (March-April, 2007) (see <http://ipcri.net/images/1-Spiritually-Responsible-Investing-paper-for-FSSC.pdf>)]

The first proposition is: There are countless numbers of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.

The second proposition is: The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available.

The third proposition is: The most advanced societies are the ones which are successful at integrating spiritual wisdom into the everyday circumstances of community life.

And the one definition: Spiritually Responsible Investing can be defined as investments of time, energy, and money which increase our capacity to integrate spiritual wisdom into the everyday circumstances of community life.”

An IPCR Journal/Newsletter can contribute to the careful channeling of our “investments” of time, energy, and money by serving as a “clearinghouse” for “‘things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.”

“If many people can learn to find contentment and quality of life while consuming much less, this limiting of desires at the ‘root’ will save much trouble trying to respond to the symptoms as they materialize worldwide. This is part of the ‘spiritual teachings’ element which often gets overlooked...”⁹

“... (The) more we realize the repercussions of our actions on our neighbours and strive to act according to the highest we are capable of, the more shall we advance in our spiritual development.”¹⁰

Summary Statement: Everyone is involved when it comes to determining the markets that supply the “ways of earning a living.”

Related Fields of Activity—village industries, alternative gifts, emergency humanitarian aid

Example Question for Discussion:

Consider keeping a record of all of your “investments” of time, energy, and money for one month. And then, after one month, make a list of what goals receive the most significant “investments” of time, energy, and money—and rank each most significant, next most significant, etc., using 1 as most significant, 2 as next most significant, and so on.

11) “...part of ‘spiritual teachings’ element which often gets overlooked....”

[Note: These passages were included in “The IPCR Journal/Newsletter (Winter 2010-2011 issue)” (see p. 41 at http://www.ipcri.net/The_IPCR_Journal_Newsletter_Winter_2010_2011.pdf

Title of section: “On the subject of finding contentment and quality of life while consuming less material goods and ecological services”]

a) “A wise person notices that inner harmony is disturbed when the mind lets itself be lured into indiscriminately sampling the world of phenomena.”

b) “The energy invested in a particular thing, during its life from cradle to grave, is called the ‘embodied energy’ of that object. The amount of embodied energy that an item contains depends on the technology used to create it (the origin of materials inputs, how they were created and transported, etc.), the nature of the production system, and the distance the item travels from inception to purchase.”

- c) "... every article in the bazaar has moral and spiritual values attached to it... hence it behooves us to enquire into the antecedents of every article we buy.... (Yet this) is an arduous task, and it becomes almost impossible for ordinary persons to undertake it when the article comes from far off countries."
- d) "If we feel it is beyond us to guarantee the concomitant results of all our transactions, it necessarily follows that we must limit our transactions to a circle well within our control. This is the bed rock of swadeshi. The smaller the circumference, the more accurately can we gauge the results of our actions, and (the) more conscientiously shall we be able to fulfill our obligations as trustees."
- e) "By supporting items and processes that have lower embodied energy, as well as the companies that produce them, consumers can significantly reduce society's energy use."
- f) The second law of thermodynamics efficiency is often defined as follows: 'the efficiency is equal to the ratio of the least available work that could have done the job to the actual available work used to do the job.'
- i) "If many people can learn to find contentment and quality of life while consuming much less, this limiting of desires at the 'root' will save much trouble trying to respond to the symptoms as they materialize worldwide. This is part of the 'spiritual teachings' element which often gets overlooked...."

"The Great Way is very level...."

"Were I to have the least bit of knowledge, in walking on a Great Road, it's only going astray that I would fear.
The Great Way is very level;
but people greatly delight in tortuous paths."

(Lao Tzu, from "Te-Tao Ching"; translation Robert G. Hendricks)

12) "But what is the use of such a bank balance of values if it is not useful in solving our current social problems?"

From a Chapter titled "An Outline Programmed of Value-Oriented Education and Relevant Pedagogical Suggestions", (at <http://www.education.nic.in/cd50years/r/2Q/92/2Q920501.htm>) (in paragraph 1) which is part of an Internet document titled "Report of the Working Group to Review Teachers' Training Programme (in the light of the need for value-orientation)" (Note: The Government of India commissioned the Working Group, which was active from 1981-1982.)

[Additional Note: "The main body of the above mentioned report (was) compiled from a paper on "The Teacher and His Task" by Prof V. S. Jha and other papers written by Prof. Kireet Joshi which were presented to the Group and adopted unanimously for inclusion in the main body of the report." (from "Introduction" to above mentioned '... Working Group...' document, at <http://www.education.nic.in/cd50years/r/2Q/92/2Q920101.htm> , see last paragraph)]

"We want our teachers to be value-oriented because we want them to be rightly equipped as vehicles of values for the benefit of our children and youth. By his/her very nature, the teacher is a transmitter, a

messenger, a carrier. Our determination of what he has to transmit will depend on what we determine to be valuable for our children and youth. Every society has a value system of some kind. Indian society is rich in it. But what is the use of such a bank balance of values if it is not useful in solving our current social problems?"

13) "We are in uncharted territory...."

From this writer (from notes for a draft section of "IPCR Critical Challenges Assessment 2011-2012")

"We are in uncharted territory, for there is no culture or society that ever existed on planet Earth who has ever had to resolve the kind of challenges the next few generations will have to resolve. In some ways, all of us are Stakeholders, and People Needing Assistance, and most of us are going to need to become Experienced Practitioners of some kind. There can be some consolation in the fact that if most of us become Experienced Practitioners in compassion for our fellow human beings, we will all have a better chance of accomplishing what no civilization has accomplished before."

14) "...a very auspicious moment in time...."

a) From this writer

As a result of the unprecedented opportunities created by the expansion of the Internet, we have now arrived at a very auspicious moment in time... for at no other time in the course of history has so many people had access to so much in the way of time-tested guidelines, inspiring role models, and service-oriented initiatives relevant to peace, prosperity, and happiness for all humanity.

b) from interpretation of #11 Hexagram (I Ching) (Prospering)
by R. L. Wing in "The I Ching Workbook":

"It is possible for leaders to be so magnanimous and progressive—and circumstances to be so constructive and inspiring—that even the most evil elements change for the better."

There are actions people can take in the everyday circumstances of community life which will encourage the emergence of many such leaders.

E. Community Service Opportunities for Local Newspapers

1) Community Service Opportunities associated with Community Visioning Initiatives

[From section titled "Opportunities for Local Newspapers to contribute very valuable community service" in "The IPCR Journal/Newsletter (Winter 2010-2011 issue)" at http://www.ipcri.net/The_IPCR_Journal_Newsletter_Winter_2010_2011.pdf (see p. 43)]

The IPCR Initiative is an advocate for comprehensive Community Visioning Initiatives [which may require as much as 18 months to complete (see Appendix G for a 15 step outline of the kind of Community

Visioning Initiatives advocated by The IPCR Initiative). The IPCR Initiative believes it is providing sufficient information and inspiration to suggest that there are many opportunities for local newspapers to contribute very valuable community services in the planning, implementation, evaluation, and follow up stages associated with Community Visioning Initiatives. Here is a list of some of the community services local newspapers could contribute:

- a) provide information about the potential of Community Visioning Initiatives
- b) advocate for the implementation of Community Visioning Initiatives
- c) be directly involved in making Preliminary Surveys accessible, provide in-depth coverage of the response
 - compilation process to assure credibility, and provide a variety of summary and analysis of the responses
- d) provide ongoing public access to details of each stage of the Community Visioning process
- e) provide ongoing public access to details of workshops and other educational experiences at “Community Teaching and Learning Centers”
- f) provide in-depth coverage of the all response compilation processes to assure credibility
- g) provide a variety of summary and analysis of the responses at each stage of the process
- h) provide follow-up coverage of the projects and initiatives which spin-off from the action plans receiving significant community support
- i) encourage citizen input as a way of further evaluating the successes and failures of the process

2) Community Service Opportunities associated with “Community Good News Networks”

There are many difficult challenges ahead (see Appendix A), and more and more people are coming to the realization that resolving these challenges will require problem solving on a scale most of us have never known before. Although the work ahead may seem overwhelming at times, momentum can be created through thousands of actions in the everyday circumstances of community life. One idea which can energize participants from all parts of the community, and create positive momentum quickly, is to create “Community Good News Networks”. Below is a brief description of idea, from the IPCR document “Brief Descriptions of The Eight IPCR Concepts”. Local newspapers can support the creation of such “networks” by providing information about efforts in different neighborhoods, and thus be a clearinghouse for many good ideas (which can be used by others residents in the community, and also people in other communities).

“Community Good News Networks”

“Community Good News Networks” is a name for participation by local community residents in an ongoing process of actively discovering, sharing, encouraging, and creating good news, for the purpose of “... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help as well as to those who receive it.”

One way to begin creating “Community Good News Networks” is as follows: ongoing intergenerational programs—programs that bring together elders of the community with young people (ages 5-18) of the

community—are created at appropriate meeting places such as local places of worship. Such intergenerational programs would include the following activities: 1) collecting and sharing good news articles, stories, etc., and making contributions to “Good News Reference Resources,” specific to local communities and regions 2) sending notecards of gratitude and encouragement—and invitations to visit—to people who are making good news in the local community or region 3) inspirational sharing meetings featuring “good news makers” from the local community or region.

As more and more good news is discovered, shared, and created, participants can give special attention to identifying the “good news makers” who live near their specific meeting place. A local “Community Faith Mentoring Network” could then be established to facilitate matching people of all ages with “faith mentors” in their local community.

Summary Statement: Even now, as you are reading this, truly inspiring contributions of genuine goodwill are being generated in a variety of ways—and in a variety of circumstances—by countless numbers of people in communities around the world.

Related Fields of Activity—intergenerational projects, positive news, solutions journalism

Example Question for Discussion:

When future generations look back into the past for examples of peacebuilding, community revitalization, and ecological sustainability, what do you hope they will find?

a) What individuals, organizations, or institutions will such future generations rely upon to provide records of peacebuilding, community revitalization, and ecological sustainability efforts of the past—especially peacebuilding, community revitalization, and ecological sustainability efforts at the local community and regional level?

3) “IPCR Journal/Newsletters”

[Note: “IPCR Journal/Newsletters” is one of the Eight IPCR Concepts in the IPCR document “Brief Descriptions of The Eight IPCR Concepts” (which is included in this document as Appendix D)]

A collective effort by even a small community, to apply the seven (other)IPCR concepts, would easily identify, develop, and create enough—

“good news makers;” descriptions of inspirational sharing meetings featuring “good news makers;” examples of questionnaires that help build caring communities; results at various stages of community visioning initiatives; examples of carefully channeling our “investments” of time, energy, and money; examples of how we determine the markets that supply the “ways of earning a living”; statistics associated with ecological footprint analysis; successful practices associated with building ecovillages; practical ways of applying the principles of permaculture; examples and descriptions associated with: energy descent pathways, relocalization projects; village support centers; village industries, cottage industries, and home industries; community supported agriculture and community supported manufacturing; community land trusts and co-housing projects; community revolving loans; ecological tipping points; fair trade practices; extended producer responsibility; barter networks and local currencies; energy farms; achieving zero waste; building civic skills and building community; inspiring

role models; service-oriented initiatives; right livelihood employment listings; accountability indicators and statistics; model project case studies; apprenticeship programs; workshop and conference information; volunteer work; commentary; essays; letters to the editor; “community journal entries”; resource reviews; and, in general, “things people can do in the everyday circumstances of their lives...”

-- and links to other service-oriented organizations, initiatives, and projects—

to justify a monthly publication of an IPCR Journal/Newsletter... and, by its very nature, such a publication would be an ongoing contribution to the goals of

- a) “... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help as well as to those who receive it”
- b) increasing our collective capacity to encourage and inspire individuals spiritual formation—with all the beneficial consequences that follow for individuals, communities, regions, etc.
- c) building trust among people from different faith communities and cultural traditions
- d) increasing our capacity to be responsible “stewards” of our time, energy, and money
- e) increasing our capacity to access what is necessary for basic human needs and quality of life through principles and practices of ecological sustainability and permaculture, especially in light of the implications of ecological footprint analysis, global warming, and the “peaking” of oil production
- f) increasing our awareness of the countless number of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in our own communities and regions—and in other parts of the world
- g) reducing the incidence of violence—and all the costs associated with war
- h) increasing emergency assistance to people with basic human needs
- i) reflecting an understanding of the value of silence.

Wouldn't you like the opportunity to discuss the contents of such a publication with your family, friends, neighbors, etc.?

Summary Statement: Each person must do his or her part, and trust that the others involved will do their part.

Related Fields of Activity—clearinghouse (of “things people can do...”), community journal “entries”, right livelihood employment listings

Example Question for Discussion:

Please check the boxes which best correspond to the way you view the following statement:

“There will be a noticeable increase in trust among people from different faith communities and cultural traditions (i.e. Christian, Muslim, Hindu, Buddhist, Jewish, etc.; Chinese, African, Hispanic, American, etc.) in the next 20 years.”

- | | | | | | |
|------------------------------|--------------------------|-------------------------------|------------------------------------|--------------------------|---------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| would actively contribute to | with some assistance | it would take a lot of effort | even with a lot of effort it might | it will never happen | would actively prevent it |

making it happen it could happen make it happen never happen from happening

4) "...56 major newspapers in 45 countries speak with one voice on climate change...."

From The Guardian (UK) newspaper (December 6, 2009)

Today 56 major newspapers in 45 countries speak with one voice on climate change ahead of the Copenhagen summit. This is how it happened.

article: "How the climate change global editorial project came about"—Ian Katz
(at <http://www.guardian.co.uk/environment/2009/dec/06/climate-change-leader-editorial>)

Climate change poses a particular challenge to journalists. It is almost incontrovertibly the biggest story we cover; perhaps the only one with genuinely existential implications. Otherwise measured scientists discuss it in apocalyptic terms. Campaigners and politicians talk about a crossroads in human history. But how do we reflect the scale and urgency of the issue in the normal register of journalism?

How can it make sense to find a story about the disappearance of arctic sea ice on page 17 of a newspaper, sandwiched between an unexceptional murder trial and the latest bickering over MPs' expenses? Or even on the front page, when the same slot the previous day was occupied by a story about plans to trim civil service jobs?

At the Guardian, we have tried to answer the challenge by covering the story in ever greater depth, devoting more space and resources – six specialist reporters – as well as a dedicated environment website. But this approach has its dangers too: bombarded with a seemingly endless stream of dire predictions and diplomatic setbacks, which of us has not been tempted to climb back into bed and pull up the duvet over our heads? So intense has been the blizzard of climate change coverage in the months leading up to the Copenhagen summit that at times even the most shocking stories have barely cut through the white noise.

Hence today's Guardian-led initiative in which 56 major newspapers in 45 countries speak with a single voice (albeit in 20 different languages) through a shared editorial. As Guardian editor-in-chief Alan Rusbridger put it: "Newspapers have never done anything like this before - but they have never had to cover a story like this before."

Aside from trying to provide a wake-up call about the urgency of the emergency facing us, the global leader carries a simple message to the politicians and negotiators gathered in Copenhagen: if all of us who disagree about so much can agree on what must be done, then surely you can too.

Given that newspapers are inherently rivalrous, proud and disputatious, viewing the world through very different national and political prisms, the prospect of getting a sizeable cross-section of them to sign up to a single text on such a momentous and divisive issue seemed like a long shot. But an early, enthusiastic, conversation with the editor of one of India's biggest dailies offered encouragement. Then in Beijing in September, I met a senior editor from an influential business weekly, the Economic Observer.

Notwithstanding the shifting boundaries of press freedom in China, he was sure his paper would participate (and another major Chinese daily would subsequently, too). If we could reach a common position with papers from the two developing world giants most commonly identified as obstacles to a global deal, then surely we could crack the rest.

Next came Europe, where most of the major titles were quick to sign up to the idea. Among the handful who declined, one influential paper did so on the grounds that the editor of a rival paper already participating in the project had recently said something distinctly uncharitable about its own editor.

A sceptic might point out that it's hardly surprising that European papers can agree on how to act against climate change when the EU has a common negotiating position, but what was more striking was the speed with which the idea began to gather support across the rest of the world - rich and poor.

Each day brought news of some new sublime juxtaposition: Brunei and Canada, Brazil and Botswana, Israel and Lebanon. Among those keen to take part were newspapers in some of the least carbon-hungry nations on earth – Rwanda, Tanzania, Bangladesh – and some of the most: Qatar, Dubai (notwithstanding their little local difficulty), Canada and the US.

A few, like Japan's mighty Asahi Shimbun, explained that convention precluded them from signing up to a common editorial but promised supportive coverage.

Of course, getting papers to agree in principle was the easy bit. The trickier job would be producing a text that everyone could sign up to. After a slightly uncomfortable exchange with an Italian colleague in which I referred to climate change as our "what did you do in the war, daddy?" issue, it was clear that historical analogies were going to be fraught. Out went my favourite Churchill quote: "The era of procrastination, of half-measures, of soothing and baffling expedients, of delays is coming to its close. In its place we are entering a period of consequences."

After a series of discussions with scientists and other experts, we circulated a skeleton argument to the group of papers who had signed up early, and the comments that came pouring back quickly offered a taste of what the real Copenhagen negotiations must be like: our Polish colleagues wanted an acknowledgment that poorer new EU countries should not have to bear as much of the coming burden as 'Old Europe'; our Indian partner suggested that the argument reflected a "lopsided" developed world perspective and needed to say more about what the rich world must do; a Chinese editor wanted to flag the importance of addressing "exported" emissions – those created by the rich world increasingly consuming goods manufactured in developing countries.

Some thought the editorial's assessment of the consequences of inaction was too gloomy; some not gloomy enough. The text went through two more drafts, as our leader writers Tom Clark and Julian Glover sought to reflect each partner's requests without alienating another. Only over one or two specific figures did they abandon the search for consensus: that, I guess, is the difference between hammering out real deals and pontificating about what they should look like. We asked every paper to sign up to the text in its entirety, even if they had to make small cuts for layout purposes, but a sentence acknowledging the controversy over leaked emails from British climate scientists was suggested as an optional add, it being too late to secure everyone's agreement to it.

If the editorial lacks the detail that will have to be cracked over the next 14 days in Copenhagen, it should be a source of encouragement that such a diverse coalition was able to agree about so much - not least the precariousness of our situation, and the need for Copenhagen to deliver a full treaty by summer 2010 at the latest.

Anyone studying the list of newspapers behind the editorial will quickly spot one glaring gap: the absence of any first-rank US paper. A number of major US titles evinced support for the project, even conceding that they agreed with everything in the editorial, but stopped short of signing up, leaving the admirably independent-minded Miami Herald as the sole representative of the world's second biggest polluter. (Next time you're in Florida buy two copies.) It is hard not to be struck by the parallel with the Kyoto agreement when the US stood to one side as the world began to move against climate change.

Another Kyoto holdout is also unrepresented: both the Sydney Morning Herald and Melbourne Age dropped out of the project after climate change convulsed Australian politics, demanding, they felt, a more localised editorial position.

But anyone contemplating the prospects of success in Copenhagen might be cheered that even the newspapers that turned down an invitation to join the project were unerringly supportive of the idea.

With one notable exception, that is. One US paper's response: "This is an outrageous attempt to orchestrate media pressure. Go to hell."

F. Re-defining Wealth--and Other Community Service Opportunities for Investors

1) "We are all investors"—some propositions and premises

[From Appendix B "17 Propositions and Premises which make up the foundation of The IPCR Initiative"]

a) Everyone is involved when it comes to determining the markets which supply the "ways of earning a living".

b) All of us have important responsibilities associated with resolving a significant number of very serious challenges in the months and years ahead.

c) Human morality is not a constant—it is not something which is the same throughout the centuries of human existence; human morality is something which can become degraded or raised up, depending on the leanings of human aspirations.

d) The ways we "invest" our time, energy, and money have a direct impact on the "ways of earning a living" that are available.

e) People can, one by one, decide to deliberately focus the way they spend their time, energy, and money so that their actions have positive repercussions on many or all of the action plans which emerge from Community Visioning Initiatives.

f) The investments of time, energy, and money that each of us make in our everyday circumstances becomes the larger economy.

g) Communities of people can deliberately create countless “ways of earning a living” which contribute to the peacebuilding, community revitalization, and ecological sustainability efforts necessary to overcome the challenges of our times.

Additional Commentary (as introduction to this section)

h) One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.

i) The idea that so many people in the world could be without a way to earn a living at a time when there is so much critical work to do simply does not speak well of those people and organizations in a position to direct significant financial resources along the lines of solution-oriented activity.

k) If communities of people can arrive at the understanding that the *whole community* will be sufficiently compensated by carrying out “constellation of initiatives” kind of solution-oriented activity advocated by The IPCR Initiative ... the exponential increase of solution oriented activity will dispel the lack of trust which compels people to be overly concerned with accumulating and safe-guarding a predominantly personal definition of wealth. It is in this spirit of “*contributing to the greater good of the whole, and helping to restore confidence in the higher values of life*” that all documents, information, etc created by The IPCR Initiative are viewed as resources which ought to be made as accessible as possible to people who can make good use of them.

2) Some Service-Oriented/Solution-Oriented Opportunities for Investors

a) “...America will need to make major new investments in our educational systems to implement the green economy...”

[Includes excerpts from an open letter from Worldwatch Institute to newly appointed U.S. Education Secretary Arne Duncan. These passages were on p. 30-31 of “The IPCR Journal/Newsletter (Winter 2010-2011 issue), at http://www.ipcri.net/The_IPCR_Journal_Newsletter_Winter_2010_2011.pdf]

A just transition to patterns of investment which in many ways represent solutions to prioritized challenges

The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc.) to *demonstrate their upgraded awareness—and their interest in the welfare of the community*—by offering and facilitating new employment opportunities... and thus helping with a just transition *from patterns of*

investment which in only limited ways represent solutions to prioritized challenges to patterns of investment which in many ways represent solutions to prioritized challenges.

Such a “just transition”—*from patterns of investment which in only limited ways represent solutions to critical challenges to patterns of investment which in many ways represent solutions to critical challenges*—has achieved some significant momentum in the fields of renewable energy and “greening the economy”. The excerpts below—an open letter from Worldwatch Institute (from <http://www.worldwatch.org/node/5971>) to newly appointed U.S. Education Secretary Arne Duncan-- suggest there is much momentum, and also much unrealized potential, in such a “just transition”.

“OPINION: Letter to the New Education Secretary
by Worldwatch Institute on December 19, 2008

“Worldwatch is pleased to publish this open letter from prominent education and environment leaders urging the newly nominated U.S. education secretary, Arne Duncan, to consider the importance of education in carrying out President-elect Barack Obama's environmental agenda.

“Dear Mr. Duncan:

“Congratulations on your nomination. As you jump into the daunting challenge of bolstering our sagging education system, you have a powerful opportunity presented by the need to create a carbon-free economy.

“President-elect Obama has astutely perceived the linkages between climate change, economic stimulus, energy security, and job training by declaring that the transition to a green economy is his “top priority.” The missing link in this system is the critical role that education can play in quickly making the green economy a reality....

“Transforming our nation's economic, energy, and environmental systems to move toward a green economy will require a level of expertise, innovation, and cooperative effort unseen since the 1940s to meet the challenges involved.

“Creating millions of new green jobs through targeted investment and spending is one thing; filling those jobs with qualified candidates is quite another thing. This transition will require a massive job training (and retraining) effort on the part of business, government, and education if it is to scale up quickly.

“But green manufacturing workforce development programs are just one piece of what is needed; the green economy will not be driven by manufacturing workers alone. Architects, engineers, planners, scientists, business managers, financial experts, lawyers, entrepreneurs, political leaders, resource managers, and many others, as well as workers - not to mention environmentally literate consumers - will all be needed to drive the green economy.

“American workers, managers, and professionals at all levels and in all sectors must understand the foundations of a green economy as represented in leading environmental and sustainability education programs. These foundations call for redesigning the human economy to emulate nature: operating on renewable energy, creating a circular production economy in which the concept of “waste” is eliminated because all waste products are raw materials or nutrients for the industrial economy, and

managing human activities in a way that uses natural resources only at the rate that they can self-regenerate (the ideas embodied in sustainable forestry, fishing, and agriculture).

“To produce such a literate workforce and citizenry, America will need to make major new investments in our educational systems to implement the green economy...” (end of quote from Worldwatch Institute letter)

b) Community Visioning Initiatives

--From “The Potential of Community Visioning Initiatives (in 305 words)”

The Potential of Community Visioning Initiatives

(in 305 words)

An essential question is how to address the uncertainty which is causing much hesitation at a time many may regard as one of the most critical crossroads in history.

Community Visioning Initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps. One of the main goals of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity.

The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc) to demonstrate their upgraded awareness—and their interest in the welfare of the community—by offering and facilitating new employment opportunities.

One possible addition to this kind of citizen participation approach can be that people (especially unemployed people) who deliberately direct their investments of time, energy, and money towards assisting the Community Visioning process—and supporting and sustaining the solutions identified by the Community Visioning Initiative—could receive, as encouragement, local currency. Such local currency can, in its turn, be spent in ways which are particularly helpful to building stable and sustainable local economies.

This approach emphasizes “asking for ideas”, giving people an opportunity to become actively involved in a solution-charged environment, and providing a means for unemployed people to earn a living—and is especially appropriate to the goals of creating large numbers of solution-oriented and sustainable jobs, reducing future-oriented uncertainty, minimizing the risk of “transformation unemployment”, and reducing the likelihood of future debt crises.

1000 time-intensive Community Visioning Initiatives, in communities around the world, would create an exponential increase in solution-oriented investment, an exponential increase in solution-oriented employment, and an exponential increase in our collective capacity to overcome the challenges of our times.

--This writer believes that a significant majority of people surveyed would say they support shifting .2% of public funds currently used for military preparedness and military interventions to carry out 1000 Community Visioning Initiatives

This writer has estimated (roughly) that one Community Visioning Initiative (involving a community of 50,000 for 18 months time) would cost \$3 million. One of the central proposals of The IPCR Initiative advocates for collaboration on carrying out 1000 Community Visioning Initiatives as a way of creating many positive multiplier effects and much solution-oriented momentum. If one Community Visioning Initiative would cost \$3 million, 1000 Community Visioning Initiatives would cost \$3 billion. \$3 billion is only .2% of \$1,531 billion (total military expenditures worldwide in one year--2009).

This writer believes that a significant majority of people surveyed would say they support shifting .2% of public funds currently used for military preparedness and military interventions to carry out 1000 Community Visioning Initiatives. Why does he believe this? Because it is clear to him—and he believes it would be clear to most other people, *if they were asked*—that such a shift would be a transition from patterns of investment *which in only limited ways* represent solutions to the challenges discussed in this paper to patterns of investment *which in many ways* represent solutions to these challenges. It is also clear to this writer that such a shift in what people consider “valuable and important” would result in an exponential increase in opportunities to provide real assistance to fellow human beings. And it is clear that similar shifts from patterns of investment associated with greed, corruption, and overindulgence could be achieved so that time, energy, and money could be rechanneled towards more solution-oriented activity. If many readers of this paper were to be in agreement with this writer that the 10 difficult challenges cited in this paper were all critical challenges, and that all of us have important responsibilities associated with resolving these challenges in the months and years ahead—such shifts and transitions could be carried out. The IPCR Initiative is convinced that these shifts and transitions will eventually and inevitably happen. So The IPCR Initiative has been developing documents and resources which are relevant and practical for accomplishing those shifts and transitions.

c) “Community Teaching and Learning Centers”—local community points of entry, resource centers, locations for workshops, practice sites for the development of “teacher-leaders”....

[Note: The following text was on p. 18-19 of of “The IPCR Journal/Newsletter (Winter 2010-2011 issue), at http://www.ipcri.net/The_IPCR_Journal_Newsletter_Winter_2010_2011.pdf]

“Community Teaching and Learning Centers”: A Special Form of Community Education

The concept of “Community Teaching and Learning Centers” (CTLCs) was created by the organization “Teachers Without Borders” (see www.teacherswithoutborders.org).

“Teachers Without Borders” has defined CTLCs as follows:

“Community Teaching and Learning Centers (CTLCs) are local, practical education centers designed to be embraced by and emerge from the community itself. CTLCs use existing facilities and are often outfitted with libraries (such as dictionaries, references, educational material of general interest) and computers,

face-to-face classrooms, and break-out spaces, used primarily to serve several essential functions for community sustainability.” [From a “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website before it was revised to the current website content (At current TWB website, see <http://www.teacherswithoutborders.org/programs/core-programs/community-teaching-and-learning-centers> (confirmed January 9, 2011)

One of the primary goals of the “Teachers Without Borders” organization is to develop “teacher-leaders”. Some of the ways “Teachers Without Borders” helps create “teacher-leaders”:

“We help to grow teachers.... We identify talent and find a way of attracting, retaining, and supporting cohorts of teachers from all sectors of local communities. We find mentors for teachers to ensure subject-matter mastery and teaching technique, and then provide opportunities at our community teaching and learning centers for emerging teachers to practice. Our plan is to start from the ground up - incorporating local mentorship, distance learning, and community college offerings, then assist local talent in completion, at a high level, of course work at four-year schools. Most importantly, we provide a means of steady communication and feedback amongst cohorts of teaching talent.” [From a “Community Teaching and Learning Centers” section of the “Teachers Without Borders” website before it was revised to the current website content] (At current TWB website, see <http://www.teacherswithoutborders.org/about-us/mission-and-approach>) (confirmed January 9, 2011)

In Community Visioning Initiatives advocated by The IPCR Initiative, the concept of “Community Teaching and Learning Centers” is expanded so that such local community points of entry function as

- i) information centers, resource centers, and clearinghouses (on how residents can deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges)
- ii) locations for workshops on topics suggested by the “Preliminary Survey” [for more about “Preliminary Surveys” see Section 10 “39 Suggestions for Preliminary Surveys (in preparation for carrying out Community Visioning Initiatives)], and as determined by the “Community Teaching and Learning Center” Coordinator
- iii) practice sites for the development of “teacher-leaders”
- iv) community centers for meetings, both planned and informal
- v) locations for “Community Journals” (which are collections of formal and informal input which may be contributed to or accessed at all times)
- vi) locations for “Final Version” Document submission (“voting”) as part of Steps 5, 6, 8, 9, and 10 of the 15 Step Community Visioning Initiative (for details on the 15 Steps, see Section 8 “A 15 Step Outline for a Community Visioning Initiative” in [“The IPCR Workshop Primer”](#)) (or Appendix G in this “Multi-Angle” document)
- vii) locations for “Summary of Community Visioning Initiative Process to Date” Notebooks (for latecomers, and as an information resource for media)
- viii) central locations for listings of employment opportunities

ix) as a special form of community education, which can respond quickly (by changing the emphasis of workshop content) to new urgencies as they arise

A key role that can be played by philanthropy

There is a key role that can be played by philanthropy, in creating more solution-oriented education systems—and in the “just transition” to more solution-oriented employment. (Note: Specifically, this writer believes that if there was anything resembling the kind of philanthropy described below directed to the support of Community Visioning Initiatives, there could be much momentum generated towards resolving the challenges of our times.) One inspiring example—of creating more solution-oriented education systems, and more solution-oriented employment—is the work of Booker T. Washington (and of the philanthropists who recognized the value of the work he was doing)...

“Washington's philosophy and tireless work on education issues helped him enlist both the moral and substantial financial support of many major white philanthropists. He became friends with such self-made men as Standard Oil magnate Henry Huttleston Rogers; Sears, Roebuck and Company President Julius Rosenwald; and George Eastman, inventor and founder of Kodak. These individuals and many other wealthy men and women funded his causes, such as supporting Hampton and Tuskegee institutes. Each school was originally founded to produce teachers. However, graduates had often gone back to their local communities only to find precious few schools and educational resources to work with in the largely impoverished South.

“In 1912, Rosenwald provided funds for a pilot program involving six new small schools in rural Alabama, which were designed, constructed and opened in 1913 and 1914 and overseen by Tuskegee; the model proved successful. Rosenwald (then) established The Rosenwald Fund. The school building program was one of its largest programs. Using state-of-the-art architectural plans initially drawn by professors at Tuskegee Institute, the Rosenwald Fund spent over four million dollars to help build 4,977 schools, 217 teachers' homes, and 163 shop buildings in 883 counties in 15 states, from Maryland to Texas. The Rosenwald Fund used a system of matching grants, and black communities raised more than \$4.7 million to aid the construction. These schools became known as Rosenwald Schools. The local schools were a source of much community pride and were of priceless value to African-American families when poverty and segregation limited their children's chances. By 1932, the facilities could accommodate one third of all African American children in Southern U.S. schools.”

d) Women's Funding Network

From “The Network” section, at <http://www.womensfundingnetwork.org/the-network>

“Women's Funding Network is the largest philanthropic network of women's funds dedicated to improving the lives of women and girls around the world. We are unmatched in terms of our size, reach and connections:

- 166 women's funds located on six continents
- \$70 million per year in global investment in women and girls
- \$535 million in collective working assets
- Tens of thousands of donors, change-makers and thought leaders – all with a shared passion for bringing women's ideas to the fore of global problem-solving.”

From section “Securing Access to Education”, at <http://www.womensfundingnetwork.org/impact/education>

“Educating girls may be among one of the highest-return investments a society can make.

“Education is a basic right and one of the keys to breaking the cycle of poverty in both the developing and the developed world. Women and girls make up 70 percent of those living in absolute poverty. When women gain an education they increase their chances of participating in the labor market, improving the health and well-being of their children, increasing financial literacy, and participating in the political system.

Facts

Women and girls make up 70 percent of those living in absolute poverty
Women make up **two-thirds** of the almost **960 million illiterate adults** worldwide.

Policy Recommendations

“Education is one of the primary methods to lift a population out of poverty towards prosperity and stability. Creating more effective policies to increase education for girls will not only save money in the long run, but add significant human capital to the economy. Therefore there is a need for

- Greater focus towards eradicating illiteracy especially for women living in less-advantaged communities.
- Allocating sufficient resources for educational programs and the implementation of educational reforms in all states.
- Access to and equality in education at all levels (primary, secondary, higher, and continuing) as well as in vocational training.
- Providing a safe and secure educational environment for all women.
- Developing non-discriminatory, unbiased curricula and teacher training programs.”

e) Green Transition Scorecard (and note on MSCI World Index)

From <http://www.greentransitionscoreboard.com/>

WHAT IS THE GREEN TRANSITION SCOREBOARD?

“THE GREEN TRANSITION SCOREBOARD® (GTS) is a time-based global tracking of the private financial system for all sectors involved with green markets, producing a transparent line of sight toward the ethical progress of wealth building as defined by the triple bottom line of planet, people and profits. The GTS logo represents a visual symbol for inevitable human progress whose barometer rises, away from the symbols of the out-dated Fossil Fuel Era, as green investments increase over the next ten years and we enter the next economy – the age of light.

“The GTS was created and realized by Hazel Henderson and Ethical Markets Media. It is updated and maintained by Ethical Markets Media, LLC. Financial data and organizations included in the GTS are screened by the strictest of rigorous social, environment, and ethical auditing standards.

AUGUST 2011 UPDATE

“St. Augustine, FL, September 6, 2011 — Ethical Markets Media (USA and Brazil) releases its August 2011 update of the GREEN TRANSITION SCOREBOARD® tracking private sector investments since 2007 in green companies and technologies globally, now totaling more than \$2.4 trillion.

“[The Green Transition Scoreboard® \(GTS\)](#) counts non-government investments and commitments for all facets of green markets starting in 2007 to the second quarter of 2011 – totaling \$2,405,182,005,199 worldwide. The GTS anticipates investments and commitments of \$1 trillion annually until 2020, a figure many studies indicate will accelerate the global Green Transition. Compared to the 2010 findings, global investors are slightly off the mark to reach \$10 trillion by 2020 but are still building momentum. In an otherwise flat market, Corporate R&D and cleantech M&A are driving much of the green economic growth.”

[Supplementary Note: From August 8, 2011 article “Wall Street plummets as fear jumps on historic downgrade”—Ryan Vlastelica (at <http://www.reuters.com/article/2011/08/08/us-markets-stocks-idUSTRE7771O020110808>)

“Monday's global stock market sell-off wiped out more than \$1.35 trillion in investor wealth worldwide, according to the 5.2 percent drop in the MSCI World Index. The index began the week with a market value of \$26.42 trillion.”

[and from Wikipedia page for “MSCI World”: “The MSCI World is a stock market index of over 1,600 'world' stocks. It is maintained by MSCI Inc., formerly Morgan Stanley Capital International, and is often used as a common benchmark for 'world' or 'global' stock funds.”]

f) Socially Responsible Investing

From the website of The Forum for Sustainable and Responsible Investing, on the webpage “Sustainable and Responsible Investing Facts” (at <http://ussif.org/resources/sriguide/srifacts.cfm>)

Sustainable and Responsible Investing Facts

What is SRI?

Sustainable and Responsible Investing (SRI) is a broad-based approach to investing that now encompasses an estimated \$3.07 trillion out of \$25.2 trillion in the U.S. investment marketplace today. SRI recognizes that corporate responsibility and societal concerns are valid parts of investment decisions. SRI considers both the investor's financial needs and an investment's impact on society. SRI investors encourage corporations to improve their practices on environmental, social, and governance issues. You may also hear SRI-like approaches to investing referred to as mission investing, responsible investing, double or triple bottom line investing, ethical investing, sustainable investing, or green investing.

As a result of its investing strategies, SRI also works to enhance the bottom lines of the companies in question and, in so doing, delivers more long-term wealth to shareholders. In addition, SRI investors seek to build wealth in underserved communities worldwide. With SRI, investors can put their money to work to build a more sustainable world while earning competitive returns both today and over time. Sustainable and responsible investors include individuals and also institutions, such as corporations, universities, hospitals, foundations, insurance companies, public and private pension funds, nonprofit

organizations, and religious institutions. Institutional investors represent the largest and fastest growing segment of the SRI world.

What are the approaches investors typically utilize in SRI?

[Screening](#), which includes both positive and negative screens, is the practice of evaluating investment portfolios or mutual funds based on social, environmental and good corporate governance criteria. Screening may involve including strong corporate social responsibility (CSR) performers, avoiding poor performers, or otherwise incorporating CSR factors into the process of investment analysis and management. Generally, sustainable and responsible investors seek to own profitable companies that make positive contributions to society. "Buy" lists may include enterprises with, for example, good employer-employee relations, strong environmental practices, products that are safe and useful, and operations that respect human rights around the world.

Conversely, many sustainable and responsible investors avoid investing in companies whose products and business practices are harmful to individuals, communities, or the environment. It is a common mistake to assume that SRI "screening" is simply exclusionary, or only involves negative screens. In reality, SRI screens are being used more and more frequently to invest in companies that are leaders in adopting clean technologies and exceptional social and governance practices. [Learn more about screening in our mutual fund performance charts >](#)

[Shareholder advocacy](#) involves sustainable and responsible investors who take an active role as the owners of corporate America. These efforts include talking (or "dialoguing") with companies on issues of social, environmental or governance concerns. Shareholder advocacy also frequently involves filing, and co-filing shareholder resolutions on such topics as corporate governance, climate change, political contributions, gender/racial discrimination, pollution, problem labor practices and a host of other issues. Shareholder resolutions are then presented for a vote to all owners of a corporation. The process of dialogue and filing shareholder resolutions generates investor pressure on company management, often garners media attention, and educates the public on social, environmental and labor issues. Such resolutions filed by SRI investors are aimed at improving company policies and practices, encouraging management to exercise good corporate citizenship and promoting long-term shareholder value and financial performance. [Learn more about shareholder advocacy >](#)

[Community Investing](#) directs capital from investors and lenders to communities that are underserved by traditional financial services institutions. Community investing provides access to credit, equity, capital, and basic banking products that these communities would otherwise lack. In the US and around the world, community investing makes it possible for local organizations to provide financial services to low-income individuals and to supply capital for small businesses and vital community services, such as affordable housing, child care, and healthcare. [Learn More about Community Investing >](#)

How many assets are involved in SRI?

US SIF's [2010 Report on Socially Responsible Investing Trends](#) identified \$3.07 trillion in total assets under management using one or more of the three core sustainable and responsible investing strategies--screening, shareholder advocacy, and community investing. From 2007 to 2010, social investing enjoyed a growth rate of more than 13-percent, increasing from \$2.71 trillion in 2007. Nearly one out of every eight dollars under professional management in the United States today -- 12.2% of the \$25.2 trillion in total assets under management tracked by Thomson Reuters Nelson--is involved in

sustainable and responsible investing. Most of the assets are in separate accounts, portfolios managed for institutional and individual clients.

How many SRI mutual funds are there?

As of 2010, there were 250 socially screened mutual fund products in the US, with assets of \$316.1 billion. By contrast, there were just 55 SRI funds in 1995 with \$12 billion in assets. SRI mutual funds span a range of investments, including domestic and international investments, and a growing range of products are available, including hedge funds and ETFs (exchange traded funds). [Find sustainable and responsible mutual funds in our Mutual Fund Performance Charts >](#)

What is the fastest growing area of SRI?

Community investing is the fastest growing area of SRI. Over the past three years, community investing has grown over 60-percent, from \$25.0 billion to \$41.7 billion in assets. US SIF's "1% in Community" campaign encourages all investors to direct at least 1% of their investments to community investing products that serve communities overlooked by traditional lenders. Since launching the campaign in 2001, US SIF members have increased their investments in CI from \$800 million to \$2.4 billion. [Learn More about Community Investing >](#)

Top 10 Questions about SRI [Top 10 Questions](#) (PDF) *updated June 2011*

g) Calvert Group

From <http://www.calvert.com/sri-calvert.html>

“Calvert has been a leader in the field of sustainable and responsible investing (SRI) for over 25 years, demonstrating that investors may manage risk and enhance long-term portfolio performance by investing in well-governed, sustainable and responsible companies. Calvert believes that responsible management of environmental, social and governance (ESG) factors contributes to sound financial performance which, in turn, can translate into long-term shareholder value.”

From <http://www.calvert.com/sri-what.html>

Sustainable and Responsible Investing (SRI) is an investment strategy that integrates social and environmental criteria into financial analysis.

With approximately \$2.71 trillion in assets in the US today, SRI is catching on with many individual and institutional investors who seek to:

- Align their investment portfolio with their personal values by avoiding companies that do not meet certain standards.
- Encourage improved corporate social and environmental performance through an active investment strategy.
- Identify companies with better long-term financial performance through the analysis of social and environmental factors.

SRI was first formally practiced by religious investors who, nearly 100 years ago, avoided companies involved in tobacco, alcohol, and gambling. More recently, however, SRI has evolved beyond basic avoidance screening to include the following four aspects:

Sustainability Research - Most sustainable and responsible investors have a set of criteria they use to identify which companies "make the grade." Increasingly, sustainability research is seen as a way to identify companies with better management and lower risk.

Shareholder Advocacy is all about using your position as an owner in a company to actively encourage that company to improve. Shareholder advocacy can take many forms, from something as simple as a phone call or letter-writing to filing a formal shareholder resolution calling for a company to take a particular action (which can ultimately come to a vote in front of all shareholders). Advocacy also includes proxy voting, or simply casting your vote as a company shareholder.

Social Venture Capital means seeking out early-stage investments in companies that have identified profitable ways to meet societal needs (such as alternative energy companies), before they are publicly traded. This early-stage investing can help these companies secure necessary funding to grow and often leads to healthy returns for shareholders.

Community Investing refers to channeling affordable credit to communities underserved by traditional credit markets to create jobs, build homes, and finance community facilities. Investors often accept slightly below-market rates of return to encourage investment that can build or rebuild communities.

h) First Affirmative Financial Network

From <http://www.firstaffirmative.com/responsible-investing/what-is-responsible-investing>

--What is Responsible Investing?

"Green investors recognize that how they direct their investment capital can have a positive or negative impact on their communities and the lives of people around the globe. Call it green, ethical, or socially responsible, SRI is about integrating values with investment decision-making.

"Sustainable and responsible investing incorporates environmental, social, and governance (ESG) criteria into the investment process to identify well managed companies with the strongest demonstrated performance in areas of environmental sustainability, social responsibility, and corporate governance. Sharing a vision of healthy ecosystems and healthy communities, green investors are concerned with pressing global issues, including poverty, pollution, climate change, and fair labor practices. During the past thirty years, the sustainable and responsible investment industry has led business across three developmental phases.

"**Phase I** called for a "Do No Harm" approach. Investors were primarily focused on avoiding companies that were environmentally negligent, or that produced harmful products like tobacco.

In **Phase II**, "Doing Well by Doing Good" described how many companies worked to reduce costs and enhance profits through pollution prevention, waste minimization, energy efficiency, and other relatively simple business strategies.

Now, in **Phase III**, "Sustainability" is becoming central to how businesses are run. Green practices drive top line growth by encouraging innovation, increasing sales, improving customer retention, attracting talent, and offering competitive advantage.

"Green investment strategies seek out companies of the future - companies working in more sustainable industries, whose executive teams have demonstrated a commitment to accountability and ethical

practices. ESG analysis is a way to manage and reduce portfolio risk, while supporting and profiting from better managed companies over the longer term.

“You can find a more detailed history and overview of sustainable investing in our publication [Sustainable and Responsible Investing in the United States](#).

--From webpage for “Sustainable and Responsible Investing in the United States” (at <http://www.firstaffirmative.com/resources-news/publications/sustainable-and-responsible-investing-in-the-united-states>)

“Responsible investors seek to secure their own financial futures while directing investment capital toward a more just, sustainable, and healthy world.

“Many investors understand that the ways people spend and invest can dramatically influence both the fabric and consciousness of society. We recognize that corporations may have either a positive or negative impact on people, communities, and our natural environment. We realize that today's social issues often become tomorrow's economic problems.

“As investors, we know that money has impact. We know that investment capital can finance either socially desirable or socially destructive businesses. And we know that we can make conscious choices about how our money works in the world.

A Brief History

“The origin of what we call sustainable and responsible investing dates back centuries. In biblical times, Jewish law laid down directives about investing ethically. In the mid-1700s, the founder of Methodism, John Wesley, considered the use of money as the second most important subject of New Testament teachings.

“For generations, religious investors whose traditions embrace peace and nonviolence have avoided investing in enterprises that profit from products designed to enslave or kill fellow human beings. It is likely that Methodist and Quaker immigrants brought the concept of values-based investing to the “new world.” The Quakers never condoned investing in slavery or war. And, the Methodists have been managing money in the U.S. using what are now referred to as “social screens” for over two hundred years.

“The modern roots of this phenomenon can be traced to the impassioned political climate of the 1960s. During that tumultuous decade, a series of themes served to escalate sensitivities to issues of social responsibility and accountability. Concerns regarding the Vietnam war, civil rights, and equality for women broadened during the 1970s to include labor-management issues and anti-nuclear convictions. The ranks of socially conscious investors grew dramatically in the 1980s as millions of people, churches, universities, cities, and states focused investment strategies on pressuring the white minority government of South Africa to dismantle the racist system of apartheid. Then, with the Bhopal, Chernobyl, and Exxon Valdez incidents, the environment became top of mind for socially aware investors.

“In recent years, school shootings, human rights, Native American issues, respect for indigenous peoples around the world, and healthy working conditions in factories that produce goods for U.S. consumption have become rallying points for investors with dual objectives for their investment capital. Most recently, the climate crisis has awakened investors to opportunities inherent in directing investment capital in more transformative ways.

Investor Motivations

“Many investors believe that in addition to the benefits of ownership, we bear responsibility for the impact our money has in the world. We believe that we can make money and make a meaningful difference by consciously directing investment capital toward enterprises that contribute to a clean, healthy environment; treat people fairly; embrace equal opportunity; produce safe and useful products; and support efforts to promote world peace.

“Motivated by a sense of responsibility that has financial, social, and ecological dimensions, socially conscious investors understand that investment returns over the long-term are driven primarily by the performance of innovative, well-managed corporations. More importantly, we know that all enterprises are dependent on the health of the human societies and ecological systems that sustain life on the planet.

“Some of us wish to put our money to work in a manner that is more closely aligned with our personal values and social priorities. Others are more interested in directing investment capital to push for social change. We seek to use our money to catalyze the shift toward a more economically just and environmentally sustainable world.

Three Dynamic Strategies

“A sustainable and responsible approach to investing includes both quantitative and qualitative analysis. All investors look for profit potential, but responsible investors also integrate an evaluation of environment, social, and governance (ESG) factors into the investment decision-making process. “A double bottom line (quantitative + qualitative) analysis provides the basis for designing investment portfolios aligned with personal values and social priorities, while delivering the returns needed to achieve an investor's financial goals. The process considers the impact of an investment on all stakeholders, within the context of rigorous financial analysis.

“**ESG Integration.** Management of environment, social, and governance issues and impacts can have a material influence on company profitability, value, and share price. Qualitative ESG analysis offers valuable insights into corporate policies, practices, attitudes, and impacts. Analysis of ESG issues can help illuminate corporate character and identify better-managed companies.

Shareholder Advocacy efforts include engaging in dialogue with companies, and submitting and voting on proxy resolutions to encourage more responsible corporate citizenship. Efforts are focused on improving financial performance over time and enhancing the well-being of all stakeholders -- customers, employees, vendors, communities and the natural environment, as well as stockholders.

Community Investing directs capital to people in low-income communities who have difficulty accessing it through conventional channels. Many socially conscious investors earmark a percentage of their investment portfolios to community development financial institutions (CDFIs) that work to alleviate poverty, create jobs, provide affordable housing, and finance small business development in disadvantaged communities.

\$3 Trillion

“The Social Investment Forum's 2010 Report on Socially Responsible Investing Trends in the United States* identified over \$3 trillion in professionally managed portfolios using one or more of the three dynamic strategies that together define sustainable and responsible investing in the U.S. -- ESG integration, shareholder advocacy, and community investing.

“In the fifteen years between the Social Investment Forum's first Trends Report in 1995 and the most recent report in 2010, responsibly managed asset pools have grown from \$639 billion to over \$3.07 trillion, an increase of 380%, versus a 260% increase in the broad universe of assets under professional management as tracked by Thompson Reuters Nelson.

“From 2005 through 2009, SRI assets surged more than 34%. Between the beginning of 2007 and the end of 2009, broad markets declined, and overall assets under management stayed flat, but SRI assets grew by 13%. The Social Investment Forum reports that as of 2010, nearly one out of every eight dollars under professional management in the United States was involved in some form of sustainable and responsible investing -- that's 12.2% of the \$25.2 trillion in total assets under professional management in the U.S.

“* 2010 Report on Socially Responsible Investing Trends in the United States. The Social Investment Forum is the nonprofit trade association for the sustainable and responsible investment industry in the U.S. (www.socialinvest.org).

What is Fueling the Growth

Information. Investors are significantly better educated and informed today. Social research organizations provide higher quality information than ever before. The better informed investors are, the more responsible their actions tend to be.

Climate Change. As consumers and investors have become increasingly aware of both the dangers and business opportunities embodied in the climate crisis, more and more are looking to invest in solutions.

Performance. An impressive body of academic evidence plus real world results effectively dispel the myth that social screening (ESG integration) will automatically result in underperformance. Investors are realizing that responsibility can walk hand-in-hand with prosperity.

Availability. Some 260 mutual funds* are designed for socially conscious investors. Sustainable and responsible investment options are increasingly being offered within retirement plans, and hundreds of asset managers now promote their ability to manage responsibly invested portfolios.

Values and Authenticity. There is a spiritual yearning on the part of a large and growing segment of the population to integrate personal values into all aspects of life, including finance and investing.

Corporate Scandals. Numerous recent instances of accounting fraud and other scandals have eroded trust in company leadership. Many investors are attracted to an investment process based on research that goes deeper into corporate character.

Women. As women have filled the ranks of MBA programs and law schools, climbed corporate ladders, started their own companies, and assumed roles as fiduciaries, many have brought with them an affinity for a more caring approach to investing.

Sustainability. The growth of sustainable and responsible investing has marched in lock-step with increasing public interest in everything green-natural and organic food, renewable energy, green building, and alternative health care-providing new inspiration and expanded investment opportunities.

Investing for a Better World

“Socially conscious investors know that business is among the most powerful institutions on the planet. More importantly, it is painfully obvious that if we are going to get a grip on many of the issues that threaten our quality of life, business must shoulder more responsibility for both remedy and prevention. Many people are consciously casting a ballot with every consumer purchase and investment decision. When it is perceived that a company is exploiting workers in unsafe foreign factories, for example, informed consumers often stop buying that company's product, and informed investors push management for changes in business practices.

“Socially conscious investors, no matter how large or small, are most satisfied with investments that reach beyond purely financial goals to address ethical concerns and enhance the common good. Fortunately, making money and making a positive difference with your money has never been easier.

i) Springboard Innovation and ChangexChange

--Springboard Innovation

From http://www.springboardinnovation.org/about_us.html

“We help ordinary citizens design and launch sustainable, innovative solutions to local and global challenges. Social enterprise, social business, hybrid change organization, financially sustainable not-for-profit... call it what you will, we work to build better models for leading change - making a living while making a difference.

“We believe committed and innovative people change the world. The world needs genuine innovators. Innovators not only move mountains, they change the entire landscape. When we focus on important problems we have the chance to engage people across sectors, resulting in innovations for enormous social good. We increase the potential for innovative solutions in areas where good ideas are needed most.

“Springboard Innovation was formed in 2004 to nurture community-led community change. We help fill the gap of learning and support for those who wish to make a difference in a new way. We invite a community members to the table who have never been invited before. We believe the answers are within us. If you have the will., we help you find the way.

“Springboard accomplishes this through four core strategies: Teach, Convene, Fund, and Build. Under these four initiatives we offer programs that work together to offer both a sequenced continuum of experience and a cycle of resources that allow leaders and supporters to connect.

Springboard Programs

Teach the changemaker inside of each of us

“[Local Agenda](#) teaches community members and youth how to create meaningful livelihoods while leading change. People need to be invited to join those of us making a difference in our communities. People need to know that they can succeed. They need to acquire particular skills, knowledge and

support to turn their ideas for change into successful social ventures. Local Agenda turns ordinary citizens into *extraordinary* change leaders..

“Community members enrolled in Local Agenda envision the change they wish to make. They learn to design clear, strategic, innovative, and *sustainable* organizations and programs. Some become launchers of nonprofit or for-profit organizations within a year. Others transfer their new skills to their existing jobs or programs.

Convene community innovators for impact

“Springboard's [Social Innovation Forum](#) brings leaders and social innovators together to set the agenda and improve practice. Forums are designed to improve the skills of practitioners in existing or emerging change organizations. They are focused specifically on action. Speakers, panelists, and workshop providers engage the activist community and make connections for community change.

“[ReVisioning Value \(ReVV\)](#) is an annual conference that brings the global ideas in social innovation to the Pacific Northwest. It creates a dialogue between funders, investors, nonprofits, for profits, government, and universities. Springboard believes all sectors need to be engaged in social innovation in order to create an enabling ecosystem for sustainable change.

Fund new social innovation with microphilanthropy

“[ChangeXchange](#) is more than just an innovative investment space. It invites community members to invest philanthropically in emerging social innovators. It focuses on the development of a new breed of change organization--one that relies on integrated income streams rather than grants. It's micro-philanthropy meets grassroots organizations.

Build the municipal ecosystem for change

“[Innovative Cities](#) is a city model for social innovation. Social innovators need community support in many domains and on many levels. Cities are often not ready for social innovation. We believe communities require a healthy and stable ecosystem that nurtures social innovators. We identified eight essential elements that provide the needed ecosystem that will nurture and sustain social innovation.”

--Changexchange

From <http://www.springboardinnovation.org/changexchange.html>

ABOUT

“ChangeXchange unites the core values of Springboard Innovation—sustainability, innovation, and community—and provides a true springboard for launchers of social ventures. ChangeXchange allows anyone, regardless of financial, educational, or social background, to become an investor in positive social change. This means that **you** can be a key part of the most cutting edge, innovative solutions to challenges in your own community. Our new online platform introduces emerging and proven social ventures to community members and funding organizations alike to allow them to help fill the biggest

gap of innovation—seed funding.

GOALS

“(1) **Seed-fund sustainable change.** ChangeXchange is designed to help seed fund three different projects: 1) new, innovative ideas; 2) the replication of proven ideas into a new location; and, 3) the launch of a new sustaining strategy for proven nonprofits who are struggling to get out of grant dependence. Each project must integrate sustaining strategies into their organizational structure to be listed on ChangeXchange.

“(2) **Build communities of support.** ChangeXchange sets the stage for a new kind of giving that provides authentic investment in the success of an idea, and greater community engagement in the process of growth and impact. Listings will not be typical charities and several unique outcomes will result: 1) investors are connected to Launchers of ideas and their projects through their online spaces called "Roundtables;" 2) Launchers build local connections with the support community; and 3) the capacity of an entire city can be increased when ChangeXchange is combined with [Local Agenda](#), resulting in multiple social innovations.

How does it work?

“ChangeXchange is built on the conceptual framework of a stock exchange, only what's being exchanged is ideas, support, and communication. People invest donations into those ideas they want to see bring to bear the social profit we need. We all have our own share to give. ChangeXchange allows visitors to “invest” shares of their personal assets, however small (individuals or organizations invest their shares in units of \$5), to increase community capital.

We the people...

“The success of ChangeXchange depends on you. Do we want to get more people involved in change? Do we hope to move our most valuable and critical organizations from the dependence on grants to more sustainable practices? Do we believe it's time for a new way of doing business? The answer must be yes. We need everyone's share to count, now more than ever.”

j) “...about transferring purchasing power to people who want to use it.”

From an article titled “The World Economy After the G-20 Meeting”—which is the transcript of a conference call involving Norbeck with Martin Wolf, Associate Editor and Chief Economics Commentator, Financial Times, London April 15, 2009 (Accessible from the website of atkearney.com) (see 2nd participant question, about three-fourths way down the article, and response by Martin Wolf; at <http://www.atkearney.com/index.php/Publications/the-world-economy-after-the-g-20-meeting.html?q=norbert+jorek>) (confirmed April 3, 2011)

“*Participant Question:* It seems that we came from decades of excess and imbalances. From a corporate point of view, do you believe that in the long run we will need to reset at a lower level in terms of global consumption and we'll need to scale down, assuming that, at least for Western economies, we will on average all become less wealthy, or am I being too pessimistic?”

“*Martin Wolf:* It's a very pessimistic view, because it means that in a world of clearly very considerable need and want still—I'm leaving aside here environmental constraints, global warming and all these issues—it's clear when you look around the world, there is a great deal of need or want. So what we are

saying is that we somehow can't organize the spending side of the world to ensure that the available productive capacity of the world is actually used. Now, that's a pretty depressing sort of situation to be in. One feels that one ought to be able to avoid that.

"I think it would make sense, therefore, to consider being quite radical about using the IMF as a means of transferring purchasing power. Essentially, this is about transferring purchasing power to people who want to use it. I have no doubt that there are people who want to use it—there are billions of people in the world who are called desperately poor. So I consider this ultimately a huge organizational problem, not a problem where we've gotten to the point of saturation at the world level, we can't find anything that anybody would actually want if we could provide it to them."

k) Forbes 400 Philanthropist seeks ideas for creating jobs for poor

--From article "How would you use \$1 billion to create jobs for the poor?"—by Robert McCartney (published September 24, 2011 in the Washington Post online) (at http://www.washingtonpost.com/local/where-to-donate-1-billion-local-philanthropist-seeks-ideas/2011/09/23/gIQAXvJXtK_story.html)

"World-class financier and philanthropist Bill Conway, 62, of McLean plans to give away at least \$1 billion before he dies, much of it in the Washington region. He wants your ideas on where to donate. No joke. This is for real.

"Sure, there are a couple of catches. Conway, a co-founder of the [Carlyle Group](#) investment company, is especially interested in helping the poor and long-term jobless. So, please, no e-mails asking him to pay for your Caribbean vacation or a new master bedroom suite.

"Also, he'd like to avoid simple giveaways. He's done a lot of those already, donating tens of millions of dollars to local charities that provide food, shelter and health care to the needy. Since November, he has [contributed \\$6 million to the Capital Area Food Bank](#), which helps feed 380,000 people in our region. Now, as Conway prepares to give away 50 percent or more of his net worth estimated at more than \$2 billion, he's begun thinking about how to use the money to create something more lasting.

"So much of what I do now is stopgap. Somebody's hungry; we give money to the food bank," Conway said in an interview in his Pennsylvania Avenue office. Although such help is necessary and worthwhile, he said, "It would be far better if we had a more permanent solution."

"Conway is intrigued by a recent suggestion from his wife, Joanne, to use his wealth to create large numbers of productive, self-sustaining jobs for the poor.

"More effective than giving away half my fortune before I die is finding a way to help people have a good-paying job," he said. That would help not only the newly employed, but also their families and the rest of the community.

"If I'm going to create 1,000 jobs, or 10,000 jobs, or whatever the number is, wouldn't we all be better off?" With jobs, he said, people "have a home; they go out to eat; they have a life."

“Conway’s search for what he calls “a big idea” to guide his philanthropy raises a timely question for the Washington region and the nation: What’s the best way to harness private charity to do the most good for society?”

“Needs are growing because of the slow economy. Government safety nets are shrinking because of tight budgets.

“Meanwhile, some of the wealthiest members of the baby boom generation are actively looking for ways to give back to the community. The nation’s two richest men, Bill Gates and Warren Buffett, have urged their fellow billionaires to pledge to donate at least half their wealth before dying.

“Conway said the impact could be enormous if other billionaires joined him in creating jobs. “If everybody who was in the Forbes 400 said they were going to create 10,000 jobs, by my mathematics, that would be 4 million jobs,” he said. America has about 14 million unemployed people.

“Conway became interested in helping the poor in the early 1990s, when he started giving muffins to homeless people he saw on the streets near his office. He’s motivated in part by his Roman Catholic faith; he regularly attends St. Patrick’s Church in Northwest and Little Flower Church in Bethesda. “Generally, I have a strong interest in trying to help people who are maybe not as lucky as I am,” Conway said. “I’ve been well rewarded in this world. I’m more worried about the next one.”

“In theory, few people are better suited to finding ways to create jobs than Conway. As one of three businessmen who founded Carlyle in 1987, he helped build a financial powerhouse with high-level Washington connections and stakes in more than 200 companies employing more than 600,000 people. Nevertheless, Conway says he doesn’t know the best way to create large numbers of lasting jobs.

“Maybe you could ask your readers to help us,” he said.

“He said one possibility would be working with top universities on an Institute for Job Creation. Another would be investing in infrastructure. A third would be helping charitable organizations expand.

“Some local experts have recommended helping people get community-college educations or similar job skills. Lisa Mallory, director of the District’s Department of Employment Services, noted that the city has 35,000 unemployed people — who in many cases aren’t qualified for 51,000 available openings.

“I think [Conway’s] investment would be best spent investing in individuals and in those persons’ success,” Mallory said.

“What do you think? E-mail your ideas to Conway at inquiries@carlyle.com. Copy me in at mccartneyr@washpost.com.

“Conway said of his wealth: “I wake up a lot of mornings and I think, ‘Well, what I am supposed to do with this?’” Maybe you can help.”

--From article “**Billionaire philanthropist impressed with public’s ideas for creating jobs for poor**”—by **Robert McCartney** (published in the Washington Post online, September 28, 2011)

(at http://www.washingtonpost.com/local/billionaire-conway-impressed-with-publics-ideas-for-creating-jobs-for-poor/2011/09/28/gIQAjy5c5K_story.html)

“There’s nothing like \$1 billion in available cash to get people’s attention.

“Local philanthropist Bill Conway said he’s been “overwhelmed” by the responses he’s gotten since [my Sunday column](#) asking for ideas about how to spend most of his vast wealth on charity. Specifically, he is looking for ways to create sustainable jobs for the poor.

“Conway has received more than 700 e-mails. They range from one-sentence suggestions to multi-page presentations with spreadsheets and financial cost-benefit analyses. One of my favorites, from a reader in Oakton, was to invest in “technical schools” to teach people electronics repair, aircraft mechanics, plumbing or other skills.

“A lot of good technical jobs go unfilled because our colleges/universities have become money machines and overlook some of our most basic needs,” the e-mail said. “Get our grass roots moving again!”

“Conway has heard from welfare recipients, college professors, the mayor’s office and legions of philanthropic groups eager for funds. It’s going to require at least a month of study to pick which ones to support.

“We’ve really created a tiger here. I’m going to have to help solve the jobs problem by hiring people to help me evaluate the proposals,” said Conway, who lives in McLean and is a co-founder of the District-based [Carlyle Group](#) investment firm.

“Overall, Conway has been impressed by the quality of what he’s received. “Many of them have been very, very creative and thoughtful. I think a lot of them have some merit,” he said. “Of course, there were some ideas that were a little crazy. I’d rather not say which ones.”

“Because I had the foresight (for once) to ask people to copy me in on the responses, I’ve seen most of them. I haven’t had time to read them all (apologies to those neglected), but I’ve looked at enough to form an impression.

“Some proposals were easy to predict: Lend money to small businesses struggling to expand. Train the poor to repair the region’s infrastructure. Hire unemployed construction workers to rehabilitate foreclosed houses.

“Others were offbeat: Encourage grocery stores to hire additional clerks to replace self-checkout machines. Invest in what the writer confidently described as a revolutionary (although still unpatented) anti-cancer drug. Have people spend five minutes drawing triangles, squares and circles, and use the results to “create a shared mental model” that will “tilt the axis of human history a few degrees.” (This last one came from a man who claimed to be a PhD candidate at Virginia Tech.)

“Only a few were mere personal appeals for charity, such as from a suburban Maryland man who asked Conway to cover moving expenses so that his wife and son could come from Colorado to live with him. I was struck by people’s gratitude toward Conway. It was refreshing, in our jaded era, to see so many notes sincerely thanking someone for trying to make a positive difference.

“(There were exceptions. A Bethesda corporate tax lawyer suggested cynically that Conway was offering to spend \$1 billion to help the poor in coming years because he was “feeling a little guilty about all the insider government information and contacts his group has benefited from.”)

“It also was sobering to see so many worthy goals that aren’t being met because money is tight. A man in Springfield said he needed a six-month, \$20,000 loan to open a group home for intellectually disabled adults in Reston. A woman in Accokeek said a charter school in the District needed funds for medical and counseling services to prevent ninth- and 10th-grade students from dropping out because of medical problems or neglect or abuse at home.

“Above all, I was impressed by the degree of difficulty in the challenge that Conway has set for himself. He doesn’t want to give handouts or create temporary jobs. He’s looking for projects that will result in permanent positions.

“That could mean that the projects generate enough revenue to continue to pay salaries even after Conway’s \$1 billion runs out. It’s a hard task creating such positions, even for established companies with abundant resources — just look at the unemployment rate. Only a handful of the proposals seemed designed to be self-sustaining in that way.

“Conway said he also might focus on providing training and education for people so they can get jobs that already exist. “What came across in many comments was that there are jobs out there, but there’s a mismatch in skills,” he said.

“There’s still time to send in your ideas. E-mail Conway at inquiries@carlyle.com, and copy me in at mccartneyr@washpost.com. I look forward to reporting the “winners” later this year.

--Entry sent by this writer to Bill Conway

To: Bill Conway, Carlyle Group

From: Stefan Pasti, The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative

Subject: Response to request “Maybe you could ask your readers to help us” in Sept. 24 Washington Post article “How would you use \$1 billion to create jobs for the poor?” by Robert McCartney

Introduction

I have read the two Robert McCartney articles (Sept. 24 and Sept. 29 in the Washington Post) about your interest in supporting projects which will create large numbers of productive, self-sustainable jobs for poor people.

Service-oriented efforts in such a direction have the potential to generate much goodwill, as there are “billions of people in the world who are called desperately poor”¹; but now, such efforts may be some degrees higher in importance, as we seem to be entering a time of multiple unprecedented challenges. In these unprecedented times, it is possible that we could see long intervals of “transformation unemployment”², even in countries which have been known as “advanced forms of civilization”—unless many of us experience an exponential increase in compassion for our fellow human beings.

One kind of “tipping point” activity which can bring about solution-oriented momentum is the willingness of people who influence high level investment portfolios to share³ their uncertainty about how to respond to the challenges ahead—and to ask for ideas from the widest range of stakeholders possible. This kind of asking not only has the potential to bring forth many other kinds of “tipping point” activity; it also gives people an opportunity to become actively involved in a solution-charged environment.

The ideas I will share with you in this message emphasize “asking for ideas” and “giving people an opportunity to become actively involved in a solution-charged environment”.

A Remedy for Uncertainty: Creating Solution-Charged Environments

My first introduction to the concept of Community Visioning Initiatives was in 1994, when I saw a video titled “Chattanooga: A Community with a Vision”⁴ (25 minutes). The video documents two very successful Community Visioning Initiatives organized by the non-profit organization Chattanooga Venture—one in 1984, and a follow-up in 1993. The 1984 Chattanooga Community Visioning Initiative attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars.

In 2001, I began to build an initiative called The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative, with the concept of Community Visioning Initiatives as a key catalyst for solution-oriented momentum. This IPCR Initiative has evolved over the years, and there are now enough IPCR documents and resources to believe the initiative has arrived at “Critical Mass” (“an amount or level needed for a specific result or new action to occur”). On the IPCR website homepage (at www.ipcri.net) there is now a 6 point list which outlines steps towards solution-oriented momentum which can be taken by communities in almost every variety of circumstances, and in almost every cultural setting. This 6 point list emphasizes “asking for ideas” and “giving people an opportunity to become actively involved in a solution-charged environment”; and is especially appropriate to the goals of creating large numbers of productive, self-sustaining jobs for poor people (worldwide)—and minimizing the risks of “transformation unemployment”. An essential point which is addressed by these steps is the uncertainty which is causing much hesitation at a time many may regard as one of the most critical crossroads in history.

How is this uncertainty addressed? First, consider the six point list:

- 1) A central focus of The IPCR Initiative is its advocacy for a combination of Community Visioning Initiatives, "Community Teaching and Learning Centers" with ongoing workshops, and "sister community" relationships as a way of generating an exponential increase in our collective capacity to overcome the challenges of our times.
- 2) Community Visioning Initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps. One of the main goals of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity.

3) The concept of “Community Teaching and Learning Centers” (created by the “Teachers Without Borders” organization) (modified and expanded by the IPCR Initiative) is about creating many local community points of entry which function as information and resource centers, locations for workshops, and locations for the training of “teacher-leaders”.

4) Results from well thought out preliminary surveys (circulated to at least 150 key leaders from many different fields of activity in the community) can help residents appreciate the need for a Community Visioning Initiative, and for “Community Teaching and Learning Centers”.

5) The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc) to *demonstrate their upgraded awareness—and interest in the welfare of the community—by offering and facilitating new employment opportunities...* and thus assisting with a just transition from patterns of investment which in only limited ways represent solution-oriented activity to patterns of investment which in many ways represent solution-oriented activity.

5) “Sister Community” relationships provide whole communities with opportunities to assist other communities with such a just transition. In addition, such community-to-community relationships create service work capable of uniting diverse communities of people, and a variety of opportunities for person-to-person peacebuilding (as can be seen by the work of organizations such as “Sister Cities International”.)

6) This “constellation of initiatives” approach to maximizing citizen participation in solution-oriented activity also provides many opportunities for local newspapers to contribute very valuable community services. (For example: making preliminary survey results accessible; highlighting inspirational role models and service-oriented initiatives associated with the Community Visioning process; describing workshop activity in the “Community Teaching and Learning Centers”; providing accountability reporting relating to the planning, implementation, evaluation, and sharing the lessons stages of the Community Visioning Initiative; etc).

Then, consider the following 5 propositions which are central to the work of The IPCR Initiative:

a) There are countless numbers of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.

b) The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available.

c) All of us have important responsibilities associated with resolving a significant number of very serious challenges in the months and years ahead.

d) Confidence will be dimmed by a lack of clarity until there is truthful public discourse on the full dimensions of the critical challenges ahead.

e) Confidence will be built up when people believe that the efforts of everyone working together is a greater force than the challenges they are facing.

Summary Comment: By the time residents of a community have completed the steps in the 6 point list (above), uncertainty for a significant majority of them will have changed to confidence, a solution-charged environment will have been created, and a just transition from patterns of investment which in only limited ways represent solution-oriented activity to patterns of investment which in many ways represent solution-oriented activity will be underway.

How some of the \$1billion could be used: In the IPCR document “1000Communities²” (referred to below), I have estimated that it might cost \$3 million to prepare for and carry out 1 (one) of the kind of time-intensive (18 months) Community Visioning Initiatives advocated by The IPCR Initiative. Allowing that costs may turn out to be as high as \$5million to carry out one such Community Visioning Initiative, I submit that directing \$500 million towards preparing for, and carrying out, 100 time-intensive Community Visioning Initiatives would create an exponential increase in solution-oriented investment, an exponential increase in solution-oriented employment, and an exponential increase in our collective capacity to overcome the challenges of our times.

Recommended IPCR Documents

There are IPCR documents which provide insight into the challenges which require problem solving on this kind of scale, IPCR documents which provide “nuts and bolts” details on the IPCR “constellations of initiatives” approach to peacebuilding and crises resolution, and IPCR documents which provide short and medium length introductions to The IPCR Initiative as a whole.

Here are some recommendations:

(Note: All IPCR documents are accessible for free, and most of the documents described below can be accessed from the IPCR website homepage.)

1) [“Recalibrating Our Moral Compasses”](#) (April, 2011) (29 pages) is a lead-in to the current IPCR project “IPCR Critical Challenges Assessment 2011”. There are many difficult challenges ahead, and many danger signs flashing now. A “big picture” view is essential, because most of the challenges are intertwined, and if some of the critical challenges are given little attention, progress on others may become more difficult. There is an introduction to the “...Critical Challenges...” project at the bottom of the IPCR website homepage, and an interior IPCR webpage which provides more information—and access to drafts in pdf form which are currently accessible. Drafts of the “Statistics and Observations” sections for [Critical Challenge #3 “The End of ‘Cheap Energy’ \(particularly in reference to Peak Oil\)”](#) (66 pages) and [Critical Challenge #7 “A Marginalization of the Treasured Wisdom of Religious, Spiritual, and Moral Traditions”](#) (65 pages) are accessible from that interior IPCR webpage (at <http://www.ipcri.net/Critical-Challenges-Assessment.html>) (and links have been provided in the above text).

2) [“A Four Page Summary of The IPCR Initiative”](#) (February, 2011) provides a brief “executive summary” overview of The IPCR Initiative, and offers some “straight talk” on why there is a great responsibility on those people who are in any way representatives of religious, spiritual, and/or moral traditions... (“We must be honest with ourselves about what is going on: people who are not sufficiently informed about critical issues are everywhere, and they are investing their time, energy, and money—voting—all the time... and yet...an exponential increase in compassion for our fellow human beings is not, currently,

widely recognized as an essential and critical element of a truly comprehensive response to the challenges of our times.”)

3) The “Four Page Summary” mentioned above makes reference to [“The IPCR Journal/Newsletter \(Winter 2010-2011 issue\)”](#) (58 pages) which includes a) a 15 step outline for carrying out a Community Visioning Initiative b) 8 sample questions for a preliminary survey c) a list of 117 related fields of activity d) an introduction to the concept “Peace Returned on Resources Invested”—and contains enough detail associated with the IPCR peacebuilding approach to be a valuable starting point for brainstorming sessions, exploratory meetings, and workshops associated with planning and implementing a Community Visioning Initiative.

4) The IPCR document [“39 Suggestions for Preliminary Survey Questions \(as preparation for Community Visioning Initiatives\)”](#) (September, 2009)(32 pages) provides a starting point for developing preliminary survey questions—which can help residents appreciate the need for Community Visioning Initiatives and “Community Teaching and Learning Centers”; and a [new IPCR Discussion Forum](#) provides an example of how many residents could contribute to both refining questions, and responding to them.

5) And the [“1000Communities²”](#) document (“1000CommunitiesSquared”) (February-June, 2008) (161 pages) provides “nuts and bolts” details for carrying out a time-intensive Community Visioning Initiative (the IPCR Initiative advocates for visioning initiatives which last as long as 18 months). For example, this document has a 20 page section of details associated with a 15 step outline for creating a successful Community Visioning Initiative.

Concluding Comments

I hope this response to your request reinforces your belief that “asking for ideas” and “giving people an opportunity to become actively involved in a solution-charged environment” can be significant catalysts—and that the resulting solution-oriented activity can create an exponential increase in our capacity to overcome the challenges of our times.

Notes

1. Bringing up the concept that there are “billions of people in the world who are called desperately poor” helps to give a “big picture” context to the crossroads at which humanity now stands. One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance. Much of the efforts of The IPCR Initiative are directed towards finding a remedy for this irony. The quote “billions of people...” comes from an article which was a [www.atkearney.com](#) interview with Martin Wolf (Chief Economics Commentator at the Financial Times). Here is more of the quote (which is included in the IPCR document “Recalibrating Our Moral Compasses”, along with more detail about the source):

“I think it would make sense, therefore, to consider being quite radical about using the IMF as a means of transferring purchasing power. Essentially, this is about transferring purchasing power to people who want to use it. I have no doubt that there are people who want to use it—there are billions of people in the world who are called desperately poor. So I consider this ultimately a huge organizational problem,

not a problem where we've gotten to the point of saturation at the world level, (and) we can't find anything that anybody would actually want if we could provide it to them."

2. In the IPCC document "Draft Section #3 The End of 'Cheap Energy' (particularly in reference to Peak Oil)", I include 10 pages of excerpts from a report titled "Armed Forces, Capabilities and Technologies in the 21st Century/Environmental Dimensions of Security/Sub-study 1 Peak Oil--Security Policy Implications of Scarce Resources" (112 pages). The report was published by the Future Analysis Department of the Bundeswehr Transformation Center, a branch of the German military, in November, 2010—but a complete English translation has not been accessible on the Internet until August 30, 2011 (or at least that's when I first saw it—at www.energybulletin.net). Here is a quote from that remarkable report on the subject of "transformation unemployment":

"...it is not possible to rule out considerable frictions on the labour market. New economic sectors, jobs, and market opportunities can indeed develop in the wake of post-fossil transformation. This economic upheaval could, however, initially result in significant transformation unemployment. It is regarded as a special form of structural unemployment that can evolve as a result of profound changes in transformation countries. Most importantly, a devaluation of employees' human capital may occur because the change in structure causes thus far fully adequate qualifications to be replaced by other qualification requirements. *Depending on its scope and duration, transformation unemployment could develop into a major economic problem.*" (this writer's italics)

3. Another example of "asking for ideas" is from an article by Robert Lenzner (Forbes Columnist) titled "Europe is a Sovereign Debt Crises and a Bank Solvency Crises" in the Huffington Post (September 14, 2011). Here is how Robert Lenzner phrased his request in that article: "Europe had better muddle through -- but how? If you have some apt solutions, do let me know ASAP". I contributed to the comment section of that article with the following:

"Many people are familiar with the "quid pro quo" of the current economic paradigm, whereby a country which adopts the requisite policies of rule by law, democracy, economic development, etc is given a fast track to an IMF or World Bank loan.

"Now what we need are local coalitions, regional coalitions, governments and mass media conglomerates who will acknowledge, advocate for, and work towards mitigation strategies on peak oil; global warming; cultures of violence, greed, corruption, and overindulgence; global inequities and the tragic cycles of malnutrition, disease, and death—and many other critical challenges which already weigh heavily upon all of us, but which are not sufficiently acknowledged as either critical challenges we need to overcome, or as real obstacles to quality of life for a significant majority of people.

"And if such critical challenges were sufficiently acknowledged? (And by a combination of Community Visioning Initiatives, "Community Teaching and Learning Centers", and "sister community" relationships many critical challenges could be identified and acted upon....) Then, a significant majority of people worldwide, who already know (or have a feeling), that many elements of the current economic system are critically dysfunctional, will have common ground "with integrity built into it" which they can confidently contribute their time, energy, and money to; much solution-oriented employment will be created (there is much that needs to be done!); and fast tracks to a new paradigm (intent on resolving critical challenges) can be built."

4. I still have many of the materials I received from Chattanooga Venture (from a request I made in 1994), including a copy of the video "Chattanooga: A Community With a Vision". Recently, I found a small business (in Chattanooga) which makes DVDs from videos; and they agreed to make 4 DVDs of the video for me, so I could preserve the educational materials, and have a few copies to lend to other people. I will gladly lend you a DVD copy of "Chattanooga: A Community With a Vision" (25 minutes). I believe you will be able to see, just from that 25 minute video, that much of the potential which I have outlined in this message can be realized.

l) Solution-oriented activity which compensates the whole community

If communities of people can arrive at the understanding that the *whole community* will be sufficiently compensated by carrying out the "constellation of initiatives" kind of solution-oriented activity advocated by The IPCR Initiative, questions regarding personal compensation will be of lesser importance... the exponential increase of solution oriented activity will dispel the lack of trust which compels people to be overly concerned with accumulating and safe-guarding a predominantly personal definition of wealth. It is in this spirit of "*contributing to the greater good of the whole, and helping to restore confidence in the higher values of life*" that all documents, information, etc created by The IPCR Initiative are viewed as resources which ought to be made as accessible as possible to people who can make good use of them.

G. Evaluating the Effectiveness of Community Visioning Initiatives

Note: This entire section on "Evaluation" can be found in two previous IPCR documents:

--Subsection D. "Detailed Suggestions for the Evaluation of Community Visioning Initiatives" (beginning p. 178) in "The IPCR Workshop Primer"

--Section 14 "Evaluating the Process", from the "1000Communities²" proposal, at <http://www.ipcri.net/1000Communities2.pdf>

1) "...maximizing the lessons which can be learned..."

This writer feels that it will be valuable to seek input from a variety of sources to arrive at a comprehensive evaluation of the kind of Community Visioning Initiatives advocated by The IPCR Initiative (see Appendices E-H). Specifically, it will be most important to establish some of the evaluation procedures at the very beginning of the process, so that relevant information can be accumulated, systematically organized, and summarized as the process goes along. However, since there has not yet been a Community Visioning Initiative of this nature carried out in conditions similar to the urgent circumstances we are now in, new approaches to evaluation will need to be explored.

The purpose of this section is to provide enough ideas for possible approaches to evaluation to emphasize how important it will be for the steering committee to decide on evaluation procedures early in the process. By giving much importance to developing evaluation procedures, organizers of these

Community Visioning Initiatives will have the tools necessary to maximize the lessons which can be learned from the experience.

2) Some general suggestions for evaluating Community Visioning Initiatives of the kind advocated by The IPCR Initiative

In the Final Summary Report on the Community Visioning Initiative, readers will be hoping to learn the most valuable lessons there are to learn about the experience. The “Evaluation” section of the Final Summary Report will be developed using input from people involved in other Community Visioning Initiatives that have already been carried out, from experts in questionnaire/survey construction, from the Preliminary Survey to 150 key leaders in the community, from suggestions received from community members, and from other sources. The following is a list of suggestions from this writer.

a) The Community Visioning Initiative organizers initial presentation would have provided some idea of the “community of people” or segment of population who would be asked to participate in the initiative.

--How did they define this “community of people?”

--Did this “community of people” change during the process?

--How did a representative sample of residents describe what they thought of as their community before the Community Visioning Initiative began?

--How did those same people—or another representative sample of residents—describe what they thought of as their community after the Community Visioning Initiative was completed?

b) Documented evidence relating to the following:

--population of area encompassed by the Community Visioning Initiative

--number and percentage of residents involved

[(including composition of residents: age, gender, first language (and proficiency in language of country of residence)]

--how participants described their involvement

--final summaries: lists of challenges identified and challenges prioritized

--final summaries: lists of solutions identified and solutions prioritized

--action plan summaries (including accountability indicators)

--number of projects created

--number of jobs created

--financial investment created

--total cost of community visioning initiative

c) Documented evidence from newspaper, television, and radio coverage; from published articles in magazines and journals, and information, news stories, and commentary from websites and blogs

d) Documented evidence from the informal comments in the “Community Journal”

e) Summary of Responses to evaluation questions (see Section C below for possible evaluation questions)

3) Specific Suggestions for Evaluation Questions

a) *General Information About the Respondent*

Please, if you are willing, and in a way that does not identify you, so that you can remain anonymous—

--state your age

--describe where you live (rural area, town, suburb, city), the region you live in (Greater Metropolitan Washington D.C.; southwestern part of Virginia; the mountains of North Carolina; etc.), and include the country you live in

(Example: I live in the downtown historical section of a medium sized town on the outer edge of development associated with the Greater Washington D.C. Metropolitan area, in the United States)

--how long have you lived at your current residence

--describe your occupation, your “way of earning a living”, or what you do during the course of any given month which requires the majority of your time

--describe what you do during the course of any given month which you feel is the most important or most fulfilling work you do

--share your reasons for participating in this Community Visioning Initiative

b) *Rating Each Part of the Community Visioning Initiative Process*

Please rate each part of the Community Visioning Initiative process according to the scale provided (and provide specific examples, if possible, to support your choice)

essential most helpful somewhat helpful not helpful created more problems than it resolved

local community points of entry

community journals

community teaching and learning center workshops

volunteer services

meeting spaces

progress reports

media commentary and analysis

preliminary survey

instructors/facilitators

advance notice of steps in process

brainstorming challenges

prioritizing challenges

brainstorming solutions

prioritizing solutions

developing action plans to prioritized solutions

c) Evaluating the Action Plans

Evaluation of action plans developed in response to the 20 most frequently identified challenges

[Important Note: Please answer in as much detail as you wish to the first two questions, and then check the appropriate box in each of the three categories for the third question.]

--How would you describe the response of (your community) as a whole to the specific challenge of _____?

--Do you feel that your community significantly closer to resolving this challenge as a result of carrying out this Community Visioning Initiative?

--Please check the box in the following three categories which most closely represents your view of the community's plans to resolve this particular challenge

Resources

- I believe we have more than enough resources to resolve this challenge.
- I believe we have sufficient resources to resolve this challenge.
- I am not sure if we have enough resources to resolve this challenge.
- I am sure we do not have enough resources to resolve this challenge.

Plans

- I believe we have a relevant, practical, and doable action plan for resolving this challenge.
- I believe we are taking the steps necessary to develop a relevant, practical, and doable action plans for resolving this challenge.
- I am not sure if we know how to resolve this challenge.
- I do not believe we know how to resolve this challenge.

Confidence of Success

- I am confident we can resolve this challenge
- I believe we are moving in the right direction to resolve this challenge.
- I am not sure if we will be able to resolve this challenge.
- I have no confidence in our ability to resolve this challenge.

d) *Most Valuable Lessons Learned*

What are the most valuable lessons you have learned? Please comment in response to as many of these topics as you can. Please give the most time and attention to the areas where you learned the most valuable lessons.

About:

Community visioning initiatives
American culture
Stepping up to face challenges
Your neighbors
Constructive dialogue
Yourself
The value of education
The capacity of media for community service
Community leadership
About sorting out what is valuable and what is less important
About the virtue of honesty
About the virtue of hard work
About the value of compassion

e) *Most Valuable Resources, Greatest Obstacles*

--What contributed most to

identifying essential actions needed
consensus building necessary to implement actions needed
knowledge base and skill sets necessary to wisely use time, energy, and money
financial support necessary to implement actions needed

--What were the greatest obstacles to

identifying essential actions needed
consensus building necessary to implement actions needed
knowledge base and skill sets necessary to wisely use time, energy, and money
financial support necessary to implement actions needed

f) *Effect of Community Visioning Initiative on Building a Close-Knit Community*

--What are your feelings about the effect of this Community Visioning Initiative on helping to build close-knit communities, where people know each other well, cooperate towards well-defined goals, and believe that they are living in a community which cares about the people in it, and people in other parts of the world?

--Before there was any notice about planning for a Community Visioning Initiative, how many people did you know—within the geographical boundaries you understand as your community—as more than acquaintances (as people with whom you have a personal relationship with “defined guidelines, reasonable expectations, reciprocal considerations, and clear plans for the future”)?

--Now, after a year of having an ongoing Community Visioning Initiative, how many people—within the geographical boundaries you understand as your community—do you know as more than acquaintances?

g) *Has the Community Visioning Initiative Changed Your Life In Any Way?*

Are you going to do anything differently in your life as a result of participating in this Community Visioning Initiative?

If yes, please describe _____

h) *On the Idea of "Sister Community" Relationships*

--Did your community give a high priority to the solution of creating a "sister community" relationship with a community in another country which has made well documented calls for assistance with basic human needs?

--If yes, are you going to participate in any way in the action plan to help develop the "sister community" relationship?

--If yes, please describe what you would like to do:

i) *Feelings About Community Visioning Initiatives*

--Would you participate in another Community Visioning Initiative?

--Would you recommend the kind of Community Visioning Initiative your community carried out to others?

j) *About the "1000Communities²" document and Community Visioning Initiatives*

Was the "1000Communities²" document helpful to your understanding of how useful a Community Visioning Initiative could be? (to your idea of the potential of Community Visioning Initiatives?) If yes, how was it most helpful? If no, why do you feel it was not helpful? Any suggestions, comments, recommendations on how to make proposals like this more helpful, and thus more useful?

k) *About Leadership in Your Community*

--What are your feelings about leadership in your community?

--Was leadership in your community helpful during the Community Visioning Initiative process?

--Would you like to see leadership improve?

--If yes, what solutions or action plans would you recommend to improve community leadership?

l) *About the "Community Journal" Concept*

--How often did you visit the "Community Teaching and Learning Center" nearest your home?

--How many times did you look into the "Community Journal"?

--How many times did you submit entries to the "Community Journal"?

--Do you feel that having a "Community Journal" is a good idea? Why or why not?
--Any additional comments on the "Community Journal" concept?

m) Media Coverage of the Community Visioning Initiative

--Do you feel that the coverage, in general, by newspapers, television stations, and radio stations, of this Community Visioning Initiative, was a positive and constructive service to your community? Why or why not? (Please provide specific examples if you can.)

--Please share any comments, suggestions, recommendations, etc. which may help newspapers, television stations, and radio stations provide more positive and constructive services to the community.

*n) Curriculum in Educational Institutions Sufficient?
Community Support of Teachers Sufficient?*

--Do you feel that the curriculum in the local (or regional) educational institutions (both public and private, and from elementary through college level) is sufficient to give students the knowledge base and skill sets necessary to carry out the actions plans which emerged from the Community Visioning Initiative? Why or why not?

--Please check the box below which most closely reflects your view of the following statement:

"Teachers in the educational institutions in your community are given enough support (financial, resource access, community partnerships, parent involvement, etc.) to fulfill their role in these challenges times."

100% of the time Most of the time Some of the time Rarely Never

--How can your community be more supportive of the teachers in educational institutions? Please be specific.

--Please share any comments, suggestions, recommendations, etc. which may help educational institutions understand how they can be more of a positive and constructive force in your community.

o) Most Memorable Experience, Most Difficult Experience

--What was your most memorable experience or experiences during the Community Visioning Initiative—the one or ones which you are most likely to tell others about as an example of the good that can come from participating in Community Visioning Initiatives?

--What was the most difficult experience or experiences for you during the Community Visioning Initiative—the one or ones which you are most likely to tell others about as an example of the difficulties of participating in a Community Visioning Initiative?

Appendix A

IPCR Critical Challenges Assessment 2011-2012 (draft) Table of Contents (seeking input)

Introduction

1. Global warming and reducing carbon emissions

2. “Cultures” of violence, greed, corruption, and overindulgence—which have become so common that many of us accept such as inevitable; which are a significant part of the current crises of confidence in financial markets; *and which are in many ways slowing the restructuring of investment priorities needed to respond to an increasing number of other critical challenges*

3. The end of the era of “cheap energy” (particularly in reference to “peak oil”)

4. The increasing world population and its implications relating to widespread resource depletion (with special focus on the increasing number of people who are consuming material goods and ecological resources *indiscriminately*)

5. Current trends indicate that we are creating more and more “urban agglomerations” (cities with a population of more than 1 million people—more than 400), which require more and more complex and energy intensive infrastructures, where it is more and more difficult to trace the consequences of our individuals investments of time, energy, and money—and which are the least appropriate models when it comes to implementing resolutions to many of the other challenges in this ten point assessment

6. The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt, possibly leading to higher interest rates, higher taxes, and tighter credit

7. A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions

8. Global inequities and the tragic cycles of malnutrition, disease, and death

9. Community building associated with responding to the above eight challenges may or may not be accompanied by an exponential increase in compassion for our fellow human beings. In such circumstances, shortages of goodwill in times of unprecedented transition could tilt already precarious systems into further disarray, and thus erode established systems in even the most stable communities and regions

10. Sorting out what are real challenges and what are sound and practical solutions is becoming more and more difficult, as there are now, in most communities of the world, *a multitude of ideas of all kinds coming to the fore in personal, family, community, and cultural life—all at the same time*

Concluding Comments

Appendix B

17 Propositions and Premises which make up the foundation of The IPCR Initiative

- 1) There are countless numbers of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world. [As one example of the countless numbers of things people can do, consider the list of “117 Related Fields of Activity”, located at the website of The IPCR Initiative at <http://ipcri.net/related-fields.html> --and also included in this “Multi-Angle” document, in Appendix I]
- 2) Even now, as you are reading this, truly inspiring contributions of genuine goodwill are being generated in a variety of ways—and in a variety of circumstances—by countless numbers of people in communities around the world.
- 3) “There can be no culture without contact with relevant problems.” (J.C. Kumarappa)
- 4) The challenges of our times are not something the experts will resolve while the rest of us are doing something else.
- 5) Everyone is involved when it comes to determining the markets which supply the “ways of earning a living”.
- 6) All of us have important responsibilities associated with resolving a significant number of very serious challenges in the months and years ahead.
- 7) Human morality is not a constant—it is not something which is the same throughout the centuries of human existence; human morality is something which can become degraded or raised up, depending on the leanings of human aspirations.
- 8) The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available.
- 9) People can, one by one, decide to deliberately focus the way they spend their time, energy, and money so that their actions have positive repercussions on many or all of the action plans which emerge from Community Visioning Initiatives.
- 10) The investments of time, energy, and money that each of us make in our everyday circumstances becomes the larger economy.
- 11) Communities of people can deliberately create countless “ways of earning a living” which contribute to the peacebuilding, community revitalization, and ecological sustainability efforts necessary to overcome the challenges of our times.

12) The IPCR Initiative is an accumulation of documents, resources, and observations brought together to support the propositions that we-- collectively-- have both the need, and the potential, to be

- a) much more organized and deliberate about "... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it."
- b) much more multi-faceted and participation-friendly in our approaches to peacebuilding, community revitalization, and ecological sustainability
- c) much more resourceful in the use of the storehouses of accumulated wisdom and "embodied energy" which are now accessible to us

13) Confidence will be dimmed by a lack of clarity until there is truthful public discourse on the full dimensions of the critical challenges ahead.

14) Confidence will be built up when people believe that the efforts of everyone working together is a greater force than the challenges they are facing.

15) Faith helps move from "it hardly seems possible" to "it must be possible" (since faith believes love will prevail).

16) The most advanced societies are the ones which are successful at integrating spiritual wisdom into the everyday circumstances of community life.

17) "The function of work should be to practice our ideal of life." (J. C. Kumarappa)

Appendix C

The IPCR Mission Statement

The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative is an effort to facilitate the practical application of the Eight IPCR Concepts (“Community Good News Networks,” “Community Faith Mentoring Networks,” “Spiritual Friendships,” “Questionnaires That Help Build Caring Communities,” “Community Visioning Initiatives for Peace,” “Spiritually Responsible Investing,” “Ecological Sustainability,” and “IPCR Journal/Newsletters”)—at the community and regional level—as a way of contributing to the following goals:

- 1) “... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help as well as to those who receive it.”
- 2) increasing our collective capacity to encourage and inspire individual spiritual formation—with all the beneficial consequences that follow for individuals, communities, regions. etc.
- 3) building trust among people from different faith communities and cultural traditions
- 4) increasing our capacity to be responsible stewards of our time, energy, and money
- 5) increasing our capacity to access what is necessary for basic human needs and quality of life through principles and practices of ecological sustainability and permaculture, especially in light of the implications of global warming, ecological footprint analysis, and the “peaking” of our finite supplies of oil
- 6) increasing our awareness of the countless number of ‘things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in our own communities and regions—and in other parts of the world
- 7) reducing the incidence of violence—and all the costs associated with war
- 8) increasing emergency assistance to people with basic human needs
- 9) reflecting an understanding of the value of silence
- 10) creating local community and regional publications that provide a format for sharing the good news which would be identified, encouraged, supported, and sustained by contributions to the first 9 goals

Appendix D

Brief Descriptions of The Eight IPCR Concepts

The Eight IPCR Concepts are:

- “Community Good News Networks”
- “Community Faith Mentoring Networks”
- “Spiritual Friendships”
- “Questionnaires That Can Help Build Caring Communities”
- “Community Visioning Initiatives for Peace”
- “Spiritually Responsible Investing”
- “Ecological Sustainability”
- “IPCR Journal/Newsletters”

Special Note: In addition to the brief descriptions of the Eight IPCR Concepts, a summary statement, three related fields of activity (from a list of “117 Related Fields of Activity”, see Appendix I), and one sample question (from various IPCR documents) are included with each IPCR concept, as examples of starting points for workshop discussion.

Additional Note: Footnotes are meant to correspond to a “Notes and Source References” section—but that section has been left out in this “Multi-Angle” document. Readers who would like to follow up on the footnotes can do so by accessing the original “Brief Descriptions...” document, at http://www.ipcri.net/1_Brief_Descriptions_of_The_Eight_IPCR_Concepts.pdf

Here are brief descriptions of The Eight IPCR Concepts (and their associated summary statements, three related fields of activity, and one sample question).

1. “Community Good News Networks”

“Community Good News Networks” is a name for participation by local community residents in an ongoing process of actively discovering, sharing, encouraging, and creating good news, for the purpose of “... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help as well as to those who receive it.”

One way to begin creating “Community Good News Networks” is as follows: ongoing intergenerational programs—programs that bring together elders of the community with young people (ages 5-18) of the community—are created at appropriate meeting places such as local places of worship. Such intergenerational programs would include the following activities: 1) collecting and sharing good news articles, stories, etc., and making contributions to “Good News Reference Resources,” specific to local communities and regions 2) sending notecards of gratitude and encouragement—and invitations to visit—to people who are making good news in the local community or region 3) inspirational sharing meetings featuring “good news makers” from the local community or region.

As more and more good news is discovered, shared, and created, participants can give special attention to identifying the “good news makers” who live near their specific meeting place. A local “Community Faith Mentoring Network” could then be established to facilitate matching people of all ages with “faith mentors” in their local community.

Summary Statement: Even now, as you are reading this, truly inspiring contributions of genuine goodwill are being generated in a variety of ways—and in a variety of circumstances—by countless numbers of people in communities around the world.

Related Fields of Activity—intergenerational projects, positive news, solutions journalism

Example Question for Discussion:

When future generations look back into the past for examples of peacebuilding, community revitalization, and ecological sustainability, what do you hope they will find?

a) What individuals, organizations, or institutions will such future generations rely upon to provide records of peacebuilding, community revitalization, and ecological sustainability efforts of the past—especially peacebuilding, community revitalization, and ecological sustainability efforts at the local community and regional level?

2. “Community Faith Mentoring Networks”

A “Faith Mentor” can be defined as “a person, who by word, action, and presence, models a meaningful lifestyle, clarifies important life issues, and provides guidance for deepening spirituality in a caring and accepting environment.”¹

Do most of us believe that we already have a “faith mentor” in our lives, and are progressing, consciously and deliberately, towards the full realization of our spiritual potential? Those of us who have had a “faith mentor” in our lives, or have one now, know how much of a difference such a person has made in our lives... surely, we can then sympathize with others who would like to have such a person in their lives, but do not.

While the development of a faith mentoring relationship often takes place within a particular faith community, “Community Faith Mentoring Networks” would be a partnership among many different places of worship and faith traditions, for the purpose of 1) increasing our collective capacity to encourage and inspire individual spiritual formation—with all the beneficial consequences that follow for individuals, communities, regions, etc. and 2) building trust among people from different faith communities and cultural traditions.

Applied at the local community and regional level, “Community Good News Networks” and “Community Faith Mentoring Networks” can create ongoing opportunities for people of one particular faith community or cultural tradition to experience the highest ideals of all local community specific and regional specific faith communities and cultural traditions, as representatives of such ideals are better appreciated, more easily recognized—and more numerous— in the everyday circumstances of community life.

Summary Statement: We reap what we sow.

Related Fields of Activity—individual spiritual formation, inspiring role models, right livelihood

Example Question for Discussion:

Please complete the following sentence (in as many ways as you believe might be helpful to people who might read what you have written).

“If only there was a way to _____.”

3. “Spiritual Friendships”

Currently, the “deepening of spirituality in a caring, accepting environment,” mentioned in connection with the “faith mentor” definition, is most often achieved within the context of specific faith communities, and faith-oriented family environments. This “deepening of spirituality in a caring, accepting environment” can be deliberately accelerated by the cultivation of “Spiritual Friendships.”

One way of developing “Spiritual Friendships” is as follows... Within a particular faith community—or among people from different religious, spiritual, or moral traditions—small groups are formed which would include the following three elements: 1) Participants (at least most participants) declare an intention to take a specific step towards achieving a goal associated with their personal spiritual growth (By making such a declaration, participants will thereby be motivated to “do their homework” before the next meeting... that is, they will, by their desire to be true to their word—and by their desire to encourage the integrity of the process as a whole—feel some sense of urgency and responsibility about making an honest effort related to their declaration.) 2) All participants are provided with an opportunity, in a respectful and considerate small group environment, to speak about their efforts they made in the interval between meetings 3) Participants have the right to choose how they will benefit from the small group process (they can choose to speak about their efforts, or choose not to speak about them; they can seek feedback or encouragement, or prefer no response; they can remain silent and listen, etc.)

Summary Statement: “Spiritual Friendships” are relationships based on a sense of responsibility and accountability in association with the process of individual spiritual formation—and thus inspire, encourage, and support honest efforts associated with specific spiritual goals.

Related Fields of Activity—interfaith dialogue, spiritual discipline, building community

Example Question for Discussion:

For the question below, please check the box (or boxes) which best corresponds to the way you view the following statement:

“Most people making efforts to realize their spiritual potential need to live in caring communities, so that they can find support from association with kindred spirits.”

agree

agree in some way

have different view--
or different way of
understanding our
present circumstances

disagree in
some ways

disagree

Your different view, or different way of understanding our present circumstances:

4. “Questionnaires That Can Help Build Caring Communities”

Organizations and communities of people often use questionnaires and surveys to identify problems and solutions, and to build consensus for collective action.

Questionnaires and surveys as a community building tool can provide:

- 1) the beginnings of a database of questions that can help build caring communities
- 2) a starting point for creating preliminary surveys, as preparation for Community Visioning Initiatives (Example: Responses and summarized results from sending preliminary surveys to 150 key community leaders can provide a) evidence from local leaders of the need for a re-assessment of current priorities b) an aid to mobilizing a high level of interest in the planned Community Visioning Initiative c) starting points for workshop topics at “Community Teaching and Learning Centers”)
- 3) a focal point for community and individual self-examination [Example: “Quaker's often use what they call ‘queries’ as a focus for individual and collective meditation, consideration and prayer—(and for) guiding Quaker seekers in their search for greater love, truth, and insight into how to serve humanity and live lives that are consistent with their core values.”² (Two Quaker queries: “Do you seek employment consistent with your beliefs, and in service to society?”³ “When a members conduct or manner of living gives cause for concern, how does the Meeting respond?”⁴)]
- 4) a way to evaluate a Community Visioning process, so that the most valuable learning experiences can be shared with other communities.

Here are some example questions which are designed to be helpful in building caring communities:

- a) There are countless numbers of ‘things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.
[___ I believe it and there is much evidence to support it; ___ I believe it, and there is sufficient evidence to support it; ___ I would like to believe it, but there isn’t enough evidence to support it; ___ It is difficult to believe it, with the way things are going now; ___ I don’t believe it, there is no evidence to support it]

b) From your point of view, what are the most difficult challenges of our times? Do you believe that we—collectively—have the resources necessary to overcome the challenges you have identified as the most difficult challenges of our times?

c) Who are the Experienced Practitioners, who are most qualified to be educating people on how to successfully overcome each of the challenges you perceive as most threatening to peace and well-being around the world? (Note: Please be specific, as in times of emergency, it will be most important for leaders to understand which people are perceived as most qualified by the majority of the residents in a particular community).

d) Consider the following commentary on preparation for carrying out a Community Visioning Initiative.... People who are doing preliminary planning for carrying out a Community Visioning Initiative should be aware that there may be people in the community who—regardless of the difficulties and urgencies associated with resolving multiple crises—choose to focus their attention of trying to make money by preying of people’s fears, manipulating people’s trust, and/or encouraging people to abandon hope in higher aspirations, and indulge in unhealthy, or immoral behavior. Such behavior is clearly counterproductive to the building of caring communities; it can be very dangerous for community morale, and it can become a crippling obstacle in times of crises. Responsible people will take sufficient preventative measures to proactively encourage a high percentage of constructive thinking and constructive action in their community. The question: please list at least 5 preventative measures which you believe would proactively encourage a high percentage of constructive thinking and constructive action during the carrying out of a Community Visioning Initiative in your community.

e) The person who will help me the most is the person who will _____ .

One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.

Questionnaires can be created which will accumulate information, suggestions, etc. that can be of critical importance in resolving the above mentioned “irony”—and which can provide the above mentioned assistance to the process of organizing and implementing Community Visioning Initiatives.

Summary Statement: Ongoing community and individual self-examination can encourage a high percentage of constructive thinking and constructive action during Community Visioning Initiatives—and help communities of people deliberately focus how they spend their time, energy and money so that these “investments” are consistent with their core values.

Related Fields of Activity—identifying problems and solutions, community self-awareness, building consensus

Example Question for Discussion:

Please check the box which best corresponds to the way you view of the following statement:

There are countless numbers of ‘things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.

- | | | | | |
|---|---|---|--|---|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I believe it-- and there is much evidence to support it | I believe it-- and there is sufficient evidence to support it | I would like to believe it, but there isn't enough evidence to support it | It is difficult to believe it, with way things are going now | I don't believe it-- there is no evidence to support it |

5. “Community Visioning Initiatives for Peace”

We live in very complex world. There are very difficult challenges ahead. More and more people are coming to the realization that resolving the challenges ahead will require problem solving on a scale most of us have never known before.

This writer also hopes that more and more people are also coming to the realization that the difficult challenges ahead are not something that the experts will resolve while the rest of us are doing something else. Everyone is involved when it comes to determining the markets that supply the “ways of earning a living”; and given the unprecedented nature of the challenges ahead, all of us have important responsibilities in the coming months and years ahead.

We are in need of innovative and imaginative solutions.

In 1984, the non-profit organization Chattanooga Venture [Chattanooga, Tennessee (USA)] organized a Community Visioning Initiative (“Vision 2000”) that attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars.⁵

Well organized efforts to identify problems and brainstorm solutions are a universally recognized approach to problem solving which is commonly used in family, community, business, and government settings in every part of the world. The more comprehensive Community Visioning Initiatives (the “Vision 2000” initiative mentioned above took 5 months) carry out a series of meetings which focus on five particular areas: identifying challenges, prioritizing challenges, identifying solutions, prioritizing solutions, and creating action plans. Combined with ongoing workshops and much formal and informal educational activity, these meetings, though only a part of the Visioning Initiative, may last 4-6 months. These more comprehensive Community Visioning Initiatives require steering committees, preliminary surveys or assessments, workshops, task forces, collaboration between many organizations, government agencies, businesses, and educational institutions—and seek to build up consensus in the community for specific goals and action plans by encouraging a high level of participation by all residents.

One of the main goals of these kind of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity.

In addition, the job fairs which come at the end of the Community Visioning Initiative process (as it is described in the IPCR document “1000Communities²”) provide opportunities for all key stakeholders in

the community (businesses, organizations, institutions, government, etc.) *to demonstrate their upgraded awareness—and their interest in the welfare of the community*—by offering and facilitating new employment opportunities... and thus helping with a just transition from patterns of investment which in only limited ways represent solutions to prioritized challenges to patterns of investment which *in many ways* represent solutions to prioritized challenges.

Using a system as comprehensive as the Community Visioning process outlined in the “1000Communities²” document (at <http://ipcri.net/images/1000Communities2.pdf>) to identify challenges, resources, solutions, and action plans will eventually, over the years, result in people approximating “a highest synthesis of truth and community”, *from their point of view*. *It is also highly likely that, because the stakes are high—and because for those communities of people who are sincere enough to carry out comprehensive and time-intensive Community Visioning Initiatives will gravitate towards outcomes which are honest, responsible, compassionate, and service-oriented—what they will discover as a highest synthesis will be of such a similar spiritual essence to other communities (which have carried out Community Visioning Initiatives of a similar nature) as to significantly increase the likelihood of kinship experiences between many diverse communities of people*. Even if much disagreement remains about the nature of the challenges ahead, the potential associated with Community Visioning Initiatives can be actualized to such a degree that significant gains can be made in many fields of activity.

Summary Statement: Community Visioning Initiatives can help sort through information and commentary to identify local community specific priorities, and do so in a way that will help residents to realize how much they need to be learning so that they can be part of the solutions... and how much they really need to be on the same side, helping each other.

Related Fields of Activity-- identifying goals, building trust, developing civic skills

Example Question for Discussion:

Please consider this brief description of community visioning initiatives in general, and of Chattanooga “Vision 2000” [Chattanooga, Tennessee (USA)] in particular.

Community visioning initiatives have, in the past, been used most often for the purpose of maximizing citizen participation in the planning and development phases of community revitalization efforts. Community visioning initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps. In 1984, the non-profit organization Chattanooga Venture [Chattanooga, Tennessee (USA)] organized a visioning initiative that attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars.⁵

Now consider the following statement:

“The mission of a community visioning initiative (in the area where I am a resident) should be to encourage 100% citizen involvement/participation in identifying, creating, and gathering together all ideas for collective effort that

a) _____

- b) _____
c) _____

and then, further, to organize these ideas into goals, identify doable steps associated with such goals... and then facilitate the development of a coalition of citizens with the necessary faith, resources, patience, and perseverance to work through the steps and realize the goals.”

Please fill in the blanks in the above statement.

6. “Spiritually Responsible Investing”

The way we “invest” our time, energy, and money has a direct impact on the “ways of earning a living” that are available.

As J.C. Kumarappa expresses it in his book “Why the Village Movement?”: “A buyer hardly realizes he owes any duties at all in his everyday transactions.”⁶ (And yet), “... every article in the bazaar has moral and spiritual values attached to it.... Hence it behooves us to enquire into the antecedents of every article we buy.”⁷ But, as we ourselves well know, the task of inquiring into the moral or spiritual history of every article we buy (and, similarly, the task of inquiring into the consequences of our “investments” of time and energy) is becoming increasingly complex... and is, for most of us, simply beyond our capacity to accomplish.

This level of complexity in our everyday circumstances should not discourage us to the point of abdicating our roles as responsible stewards of our time, energy, and money—for that would only increase the distrust and violence we are, hopefully, trying to minimize. Instead, we can make it a priority to carefully channel our “investments” of time, energy, and money into activities which are in accordance with our spiritual convictions or core values (as indicated by a full disclosure of information, which is readily available)—and which are in accordance with circles of activity which are closer to the community we live in [“The smaller the circumference, the more accurately can we gauge the results or our actions and (the) more conscientiously shall we be able to fulfil our obligations as trustees.”⁸]

As a way of encouraging new exploration into the concept of “Spiritually Responsible Investing”, here are three propositions, and one definition. [Note: The following propositions and definition were first offered in the IPCR document “Spiritually Responsible Investing: Integrating Spiritual Wisdom into the Everyday Circumstances of Community Life” (March-April, 2007) (see <http://ipcri.net/images/1-Spiritually-Responsible-Investing-paper-for-FSSC.pdf>)]

The first proposition is: There are countless numbers of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.

The second proposition is: The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available.

The third proposition is: The most advanced societies are the ones which are successful at integrating spiritual wisdom into the everyday circumstances of community life.

And the one definition: Spiritually Responsible Investing can be defined as investments of time, energy, and money which increase our capacity to integrate spiritual wisdom into the everyday circumstances of community life.”

An IPCR Journal/Newsletter can contribute to the careful channeling of our “investments” of time, energy, and money by serving as a “clearinghouse” for “things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.”

“If many people can learn to find contentment and quality of life while consuming much less, this limiting of desires at the ‘root’ will save much trouble trying to respond to the symptoms as they materialize worldwide. This is part of the ‘spiritual teachings’ element which often gets overlooked....”⁹

“... (The) more we realize the repercussions of our actions on our neighbours and strive to act according to the highest we are capable of, the more shall we advance in our spiritual development.”¹⁰

Summary Statement: Everyone is involved when it comes to determining the markets that supply the “ways of earning a living.”

Related Fields of Activity—village industries, alternative gifts, emergency humanitarian aid

Example Question for Discussion:

Consider keeping a record of all of your “investments” of time, energy, and money for one month. And then, after one month, make a list of what goals receive the most significant “investments” of time, energy, and money—and rank each most significant, next most significant, etc., using 1 as most significant, 2 as next most significant, and so on.

7. “Ecological Sustainability”

Consider: the increasing world population, and the increasing number of people who are consuming material goods and ecological services indiscriminately.¹¹ Evidence is accumulating which suggests that “(the) planet’s ecological systems are on the verge of catastrophic change for which few societies are prepared.” A September, 2007 conference program is focusing on the “Triple Crisis,” a “convergence of three advancing conditions”¹²:

- a) Planet-wide climate chaos and global warming; (“World carbon emissions must start to decline in only six years if humanity is to stand a chance of preventing dangerous global warming, a group of 20 Nobel prize-winning scientists, economists and writers declared today.”¹³)
- b) The end of the era of cheap energy (“peak oil”) (“The human community’s central task for the coming decades must be the undoing of its dependence on oil, coal, and natural gas in order to deal with the twin crises of resource depletion and climate chaos.”¹⁴)

c) The depletion of many of the world's key resources: water, timber, fish, fertile soil, coral reefs; and the expected extinction of 50% of the world's species.¹⁵

"All are rooted in the same systemic problem—massive overuse of fossil fuels and the Earth's resources; all driven by an economic ideology of hyper growth and consumption that's beyond the limits of the planet to sustain."¹⁶

"The energy invested in a particular thing, during its life from cradle to grave, is called the 'embodied energy' of that object. The amount of embodied energy that an item contains depends on the technology used to create it (the origin of materials inputs, how they were created and transported, etc.), the nature of the production system, and the distance the item travels from inception to purchase."¹⁷ "By supporting items and processes that have lower embodied energy, as well as the companies that produce them, consumers can significantly reduce society's energy use."¹⁸ "If many people can learn to find contentment and quality of life while consuming much less, this limiting of desires at the 'root' will save much trouble trying to respond to the symptoms as they materialize worldwide. This is part of the 'spiritual teachings' element which often gets overlooked..."¹⁹

Everyone is involved when it comes to determining the markets that supply the "ways of earning a living." More and more people are coming to the realization that resolving these challenges will require problem solving on a scale most of us have never known before— and that there is an urgent need to restructure our economic systems and our education systems to respond to these challenges. Energy descent pathways, community visioning initiatives, "Community Teaching and Learning Centers", sister community relationships, spiritually responsible investing, peacebuilding, reconciliation, relocalization, green job training, permaculture, community supported agriculture, local currencies, ecovillages, accountability indicators, and community revitalization are among the many practical and appropriate responses to the challenges of our times.

"The transition from an unsustainable fossil-fuel based economy back to a solar based economy (agriculture and forestry) will (require making best use of) the embodied energy we inherit from industrial culture. This embodied energy is contained within a vast array of things, infrastructure, cultural processes, and ideas.... It is the task of our age to take this great wealth, reconfigure it, and apply it to the development of sustainable systems."²⁰

Summary Statement: Many hands make much work light.

Related Fields of Activity—world population awareness, energy descent pathways, permaculture

Example Question for Discussion:

Consider what ways of earning a living you would identify as "right livelihood."

Now imagine a local community resource guide relating to employment, apprenticeships, training, and volunteer opportunities association with "right livelihood."

And further: imagine a committee commissioned to produce such a "right livelihood" resource guide.... And the individuals who make up the committee commissioned to produce such a resource guide....

- a) What background (qualifications, experiences, etc.) would you like such individuals to have?
- b) What local institutions would you consider most appropriate to commission such a resource guide, and oversee its production?

8. “IPCR Journal/Newsletters”

A collective effort by even a small community, to apply the seven previously mentioned IPCR concepts, would easily identify, develop, and create enough—

“good news makers;” descriptions of inspirational sharing meetings featuring “good news makers;” examples of questionnaires that help build caring communities; results at various stages of community visioning initiatives; examples of carefully channeling our “investments” of time, energy, and money; examples of how we determine the markets that supply the “ways of earning a living”; statistics associated with ecological footprint analysis; successful practices associated with building ecovillages; practical ways of applying the principles of permaculture; examples and descriptions associated with: energy descent pathways, relocalization projects; village support centers; village industries, cottage industries, and home industries; community supported agriculture and community supported manufacturing; community land trusts and co-housing projects; community revolving loans; ecological tipping points; fair trade practices; extended producer responsibility; barter networks and local currencies; energy farms; achieving zero waste; building civic skills and building community; inspiring role models; service-oriented initiatives; right livelihood employment listings; accountability indicators and statistics; model project case studies; apprenticeship programs; workshop and conference information; volunteer work; commentary; essays; letters to the editor; “community journal entries”; resource reviews; and, in general, “things people can do in the everyday circumstances of their lives....”

-- and links to other service-oriented organizations, initiatives, and projects—

to justify a monthly publication of an IPCR Journal/Newsletter... and, by its very nature, such a publication would be an ongoing contribution to the goals of

- a) “... bringing to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help as well as to those who receive it”
- b) increasing our collective capacity to encourage and inspire individuals spiritual formation—with all the beneficial consequences that follow for individuals, communities, regions, etc.
- c) building trust among people from different faith communities and cultural traditions
- d) increasing our capacity to be responsible “stewards” of our time, energy, and money
- e) increasing our capacity to access what is necessary for basic human needs and quality of life through principles and practices of ecological sustainability and permaculture, especially in light of the implications of ecological footprint analysis, global warming, and the “peaking” of oil production
- f) increasing our awareness of the countless number of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in our own communities and regions—and in other parts of the world
- g) reducing the incidence of violence—and all the costs associated with war
- h) increasing emergency assistance to people with basic human needs
- i) reflecting an understanding of the value of silence.

Wouldn't you like the opportunity to discuss the contents of such a publication with your family, friends, neighbors, etc.?

Summary Statement: Each person must do his or her part, and trust that the others involved will do their part.

Related Fields of Activity—clearinghouse (of “things people can do...”), community journal “entries”, right livelihood employment listings

Example Question for Discussion:

Please check the boxes which best correspond to the way you view the following statement:

“There will be a noticeable increase in trust among people from different faith communities and cultural traditions (i.e. Christian, Muslim, Hindu, Buddhist, Jewish, etc.; Chinese, African, Hispanic, American, etc.) in the next 20 years.”

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
would actively contribute to making it happen	with some assistance it could happen	it would take a lot of effort make it happen	even with a lot of effort it might never happen	it will never happen	would actively prevent it from happening

Appendix E

The “1000Communities²” Proposal

The IPCR Initiative advocates (see IPCR document “1000Communities²”) organizing and implementing Community Visioning Initiatives in 1000 communities (communities—or segments of rural areas, towns, or cities—with populations of 50,000 or less) around the world

1. which are time-intensive, lasting even as much as 1½ years (18 months), so as to give as much importance to developing a close-knit community as it does to
 - a) accumulating and integrating the knowledge and skill sets necessary for the highest percentage of people to act wisely in response to challenges identified as priority challenges
 - b) helping people to deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges
 - c) assisting with outreach, partnership formation, and development of service capacity for a significant number of already existing (or forming) organizations, businesses, institutions, and government agencies
 - d) helping to build a high level of consensus for specific action plans, which will help inspire additional support from people, businesses, organizations, institutions, and government agencies with significant resources

2. which expand on the concept of “Community Teaching and Learning Centers” (created by the “Teachers Without Borders” organization) so that such local community points of entry function as information clearinghouses, meeting locations, education centers for ongoing workshops (on a broad range of topics related to the Community Visioning Process, and building the local knowledge base), practice sites for developing “teacher-leaders”, a location for an ongoing “informal” “Community Journal”, a location for listing employment opportunities—and provide a means of responding quickly (by changing the emphasis of workshop content) to new urgencies as they arise

3. and which suggest—as a way of emphasizing the need for an exponential increase in compassion for our fellow human beings—that communities (with the resources to do so) enter into “sister community” relationships with communities in other countries where there has been well documented calls for assistance with basic human needs.

Appendix F

The Potential of Community Visioning Initiatives (in 305 words)

An essential question is how to address the uncertainty which is causing much hesitation at a time many may regard as one of the most critical crossroads in history.

Community Visioning Initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps. One of the main goals of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity.

The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc) to demonstrate their upgraded awareness—and their interest in the welfare of the community—by offering and facilitating new employment opportunities.

One possible addition to this kind of citizen participation approach can be that people (especially unemployed people) who deliberately direct their investments of time, energy, and money towards assisting the Community Visioning process—and supporting and sustaining the solutions identified by the Community Visioning Initiative—could receive, as encouragement, local currency. Such local currency can, in its turn, be spent in ways which are particularly helpful to building stable and sustainable local economies.

This approach emphasizes “asking for ideas”, giving people an opportunity to become actively involved in a solution-charged environment, and providing a means for unemployed people to earn a living—and is especially appropriate to the goals of creating large numbers of solution-oriented and sustainable jobs, reducing future-oriented uncertainty, minimizing the risk of “transformation unemployment”, and reducing the likelihood of future debt crises.

1000 time-intensive Community Visioning Initiatives, in communities around the world, would create an exponential increase in solution-oriented investment, an exponential increase in solution-oriented employment, and an exponential increase in our collective capacity to overcome the challenges of our times.

Appendix G

15 Step Outline for the kind of Community Visioning Initiatives advocated by The IPCR Initiative

Approximate Time Required: 1 year and 6 months (18 months)

Approximate Cost: 3 million dollars

[Special Note: The following “15 Step Outline” is an example of collaborative problem solving at the local community level—and an example of the kind of problem solving which requires that each of us (not just those in power) “actualize in our own lives” practices and processes which turn polarizing circumstances into collaborative efforts (which make best use of the knowledge and skills each one of us has). There are difficult challenges ahead. We will need the best efforts we can make at working together to overcome such challenges.]

Step 1 Steering Committee Selection, Administrative Assistant Selection (and Securing Volunteers for Advisory Board)

(Approximate Time Required: 8 weeks)

A. Goals

- 1) Contracts with 5 people for steering committee
at a salary of \$80,000 for duration of CVI process
- 2) Contracts with 5 people for administrative assistants
at a salary of \$40,000 for duration of CVI process
- 3) Development of Advisory Board
(50+ volunteers)

B. Suggestions

1. Identify 150 key leaders from a significant variety of fields of activity in the community
2. Prepare Executive Summary of approach to Community Visioning Initiative (CVI), and importance of CVI
3. Prepare “Steering Committee Selection” Questionnaire [for ideas, see IPCR Initiative document “39 Suggestions for Preliminary Survey Questions (in preparation for Community Visioning Initiatives)”, at http://www.ipcri.net/39_Suggestions_for_Preliminary_Survey_Questions_2.pdf]
4. Send Executive Summary and “Steering Committee Selection” Questionnaire to 150 key leaders
 - a) to increase awareness of intention to carry out CVI
 - b) as way of identifying leaders with interest, understanding, and experience for Steering Committee
 - c) as way of identifying possible volunteer Advisory Board members
 - d) as way of gathering input and leading into Step 2 and Step 3

[Note: Recipients of the above package should be encouraged to save a copy of their responses, as many of these leaders may be asked to participate in the “Preliminary Survey” (see Step 3)]

5. People selected for the Steering Committee will carry out their own selection process for an administrative assistant

Step 2 Initial Preparation

(Approximate Time Required: 6 weeks)

A. Goals

- 1) Identifying Volunteer Resources
- 2) Establishing “Community Teaching and Learning Centers” (CTLCS)
- 3) Outreach
- 4) Consulting
- 5) Etc.

Very Important Note: On Establishing a Sufficient Number of CTLCS

Establishing a sufficient number of “Community Teaching and Learning Centers” (CTLCS) is a critical prerequisite to going forward with Community Visioning Initiatives of the nature described in this proposal. The Community Visioning Initiative process outlined in this document has a critical need for somewhere near 20 public access buildings (per community area with a population of 50,000) which can function as described in Section B, Part 2 on the next page (p. 4) Special Note: Establishing many CTLCS—which can accommodate as many as 300 people per day coming in and out at different times for an extended period of time (possibly a year, or more) (with associated parking considerations) (and with, hopefully, no rent associated with it)—may narrow the available possibilities to a point that probable requires a sense of shared urgency among many members of the community. Unfortunately (or fortunately), such a sense of shared urgency may be approaching. In the time period preceding such urgency, word may get around about Community Visioning Initiative approaches (like the kind described in this document) through the efforts of people who believe that we can overcome the challenges ahead, and are ready to go forward with constructive and practical solutions. Such people may, by their efforts in advance, prepare the way for a sufficient number of CTLCS to be established on short notice. The importance of CTLCS is so critical that without a sufficient number of assurances relating to CTLCS as a prerequisite, there will be no advantage to proceeding any further in the 15 step Community Visioning Initiative process described in this document.

B. Suggestions

1. Partnership formation with volunteer service organizations, places of worship, educational institutions, etc.

- a) seeking volunteers for an extended amount of time for a variety of support positions
 - i) specifically seeking volunteers for CTLC coordinator positions
(a very important role, which will require a careful selection process)
 - ii) specifically seeking volunteer secretaries and journalists to transcribe, report, and create “actions taken” logs, and overviews of the CVI process for the “Sharing the Lessons” element of the process (see Step 15)
 - iii) specifically seeking volunteer journalists to document and verify the “voting” process (see Steps 5, 6, 8, 9, and 10)
 - iv) specifically seeking volunteers for compiling and summarizing “voting” (responses) during Steps 5, 6, 8, 9, and 10)
 - v) specifically seeking volunteer website design for official CVI website

2. Establishing a sufficient number of CTLC’s as local community points of entry

which (hopefully) are donated building space (with sufficient parking) for the duration of the CVI process

which are accessible to the public 7 days a week

and which can function as

- a) information centers, clearinghouses (on how residents can focus their time, energy, and money) and central locations for listings of employment opportunities
- b) locations for workshops on topics suggested by the “Preliminary Survey” (see Step 3), and as determined by the CTLC Coordinators
- c) community centers for meetings, both planned and informal
- d) locations for “Community Journals” (which are collections of formal and informal input—which may be contributed or accessed at all times)
(Note: each CTLC may need to have 5 hard copies of these “Community Journals”....)
- e) locations for “Final Version Document” Notebooks associated with Steps 5, 6, 7, 9, and 10 (Note: early submissions to these notebooks will help others with format and provide ideas for topics they might explore....)
- f) locations for “Summary of the CVI Process to Date” Notebooks, for latecomers, and as assistance to the media

3. Revised and updated “Executive Summary” of approach to CVI and importance of CVI offered to public through CTLC’s and media, so residents can prepare and begin to participate—and so that more residents will be encouraged to “step up” and provide volunteer support

4. Neutral parties with sufficient experience and recognized authority (ombudpersons, etc.) identified to oversee integrity of CVI process

5. Contacts—and lines of communication for community service announcements—established with local information services providers (newspapers, television, radio, service-oriented websites, etc.)

- a) CVI spokespersons identified as authorities to approach for critical information

6. With (hopefully) assistance from the organization “Teachers Without Borders”, the development of “teacher-leaders” is initiated. (The training and apprenticeships of “teacher-leaders” will be ongoing.)

[As an example of the process of developing “teacher-leaders”, see the “Mission and Vision” webpage at “Teachers Without Borders”, at <http://teacherswithoutborders.org/about-us/mission-and-vision>]

The development of “teacher-leaders” will be critical, as it anticipates a time when

- a) additional teachers will be required to meet the needs for increasing the community’s knowledge base, and for the introduction of new skill sets
- b) “ways of earning a living” will be created for these new teachers, so that they become a permanent addition to the community workforce

7. Consulting with questionnaire development experts

- a) for assistance with creating a “Preliminary Survey” (see Step 3)
- b) for assistance with creating an “Evaluation Survey” (see Step 13)

8. Preparation of a brochure titled “Suggestions for Making Best Use of the CVI Process” (see Appendix H in this “Multi-Angle” document)

Step 3 Preliminary Surveys

(Approximate Time Required: 6 weeks)

A. Goals

- 1) Summary of responses to Preliminary Survey, to be published in newspapers, posted on official CVI website, and made accessible in CTLC’s

B. Suggestions

1. Note: The IPCRI Initiative document “39 Suggestions for Preliminary Survey Questions (in preparation for Community Visioning Initiatives)”, provides many ideas for possible questions. See http://www.ipcri.net/39_Suggestions_for_Preliminary_Survey_Questions_2.pdf]

2. Send Preliminary Surveys to 150—or more—key leaders from a significant variety of fields of activity in the community

- a) selection of recipients will be decided by Steering Committee with input from Advisory Board Members and Partnerships established in Step 2

3. Responses and Summarized of Results from Preliminary Survey will provide

- a) evidence from local leaders of the need for a re-assessment of current priorities
- b) examples of local leaders stepping up in support of CVI
- c) starting points for public discourse about the importance of the CVI
- d) starting points for CTLC workshop content
- e) starting points for some participants as they develop “Final Version” decisions (“votes”) on challenges, solutions, and action plans

- f) an aid to mobilizing a high level of interest in the CVI, and a high level of citizen participation
- g) an initial sense of support or non-support for the “sister community” element [an action plan which is advocated by the IPCR Initiative “1000Communities²” proposal (see Appendix C)]

Step 4 Secondary Preparation

(Approximate Time Required: 4 weeks)

A. Goals

- 1) Additional CTLC’s opened
- 2) Announcements for workshops already scheduled
- 3) Announcements for “voting” times already scheduled

B. Suggestions

- 1. Training and apprenticeships of “teacher-leaders” is ongoing (they continue to facilitate workshops and meetings....)
- 2. As awareness of the value of the CVI process increases, additional donations of appropriate building space will result in additional CTLC’s in the community
- 3. Publications (available at CTLC’s) and press releases announce workshops already scheduled (workshops which derive their content mostly from the results of the Preliminary Surveys) (Note: Additional workshops will result from input received by local CTLC Coordinators, and will vary according to specific needs perceived).
- 4. Publications (available at CTLC’s) and press releases announce the “voting” times already scheduled (for Steps 5, 6, 8, 9, and 10)

Step 5 Workshops, Meetings, and “Voting” associated with the question:

What are the challenges which require our most immediate attention? (Or... What are the challenges with the greatest potential to de-stabilize economic systems, community life, and basic survival in community, regional, national, and international settings?)

(Approximate Time Required: 4 weeks)

A. Goal

- 1) A List (compiled and summarized through a transparent, well-documented, and fair process) of all Challenges mentioned by participating residents, will be published in local newspapers, posted on the official CVI website, and many copies will be made available in CTLC's
 - a) Challenges categories mentioned most often will include some examples of the different ways that challenge was described
 - b) The summary list will begin with the challenges identified most often, and list the challenges in order from most often identified to least often identified

B. Suggestions

Note: For more information about “Verifying the Integrity of the Voting Process”, see Section 8 in the IPCR Initiative document “1000Communities²”, at <http://www.ipcri.net/1000Communities2.pdf>

1. Residents are encouraged to follow the “Suggestions for Making Best Use of the CVI Process” ((see Appendix H in this “Multi-Angle” document)
2. Workshops, resources, informal meetings, etc. will be offered in the CTLC's to help residents sort through what could seem like an overwhelming and complex assessment process
3. Residents are encouraged to submit one (1) “Final Version” document for this step. The document for this step should include a list of 10-20 items, and must be limited to 4 well-organized and easily read pages (to help with the compilation and summary process). Examples will be provided, and copies of documents submitted during the early part of this step will be available for participants to consider as they prepare their “vote”. Some evidence supporting the items mentioned, or some clarifying comments, may be included to help identify the challenges listed, but citing extensive evidence is unnecessary and discouraged. References to resources of any length can be suggested to local CTLC Coordinators—and entered into the CTLC “Community Journal”.
4. Submitting “Final Version” Documents
 - a) Such “Final Version” documents should be submitted to the local CTLC Coordinator during the days and hours designated for this part of the process.
 - b) When submitting “Final Version” documents, residents will be required to provide some proof of residency.
5. The compilation and summarizing of all “challenges identified” “Final Version” documents will be carried out by thoroughly screened volunteers, supervised by local CTLC Coordinators, and independently reported on by volunteer journalists and neutral parties such as ombudpersons (who will also observe the process to evaluate transparency, thoroughness of documentation, and fairness).
6. A Summary List of the Challenges Identified will then be published in local newspapers, posted on the CVI website, and many copies will be made accessible in the CTLC's.

a) The summary list will begin with the challenges identified most often, and list the challenges in order from most often identified to least often identified

Important Note: This summary list will not be considered a list of challenges prioritized however, for the reason that there may be many participants who have not given much importance to a number of very important challenges, and who may change their mind once they see the content and order of the summary list from this step.

Step 6 Workshops, Meetings, and “Voting” Associated with Prioritizing the List of Challenges

Identified created in Step 5

(Approximate Time Required: 3 weeks)

A. Goals

- 1) The List of Challenges Identified (created in Step 5) is prioritized by participating residents
- 2) Prioritized lists properly submitted by residents are compiled and summarized through a transparent, well-documented, and fair process; and the summary is published in local newspapers, posted on the CVI website—and many copies are made available in CTLC’s.
 - a) A “scoring system” common to this kind of “voting” will be applied, so that challenges which are prioritized as most important (first on the list) by some, and which are chosen by many residents as significant in some way, will receive more points than a challenge which is prioritized as most important by some, but not recognized at all by most residents

B. Suggestions

Note: For more information about “Verifying the Integrity of the Voting Process”, see Section 8 in the IPCR Initiative document “1000Communities²”, at <http://www.ipcri.net/1000Communities2.pdf>

1. Residents are encouraged to follow the “Suggestions for Making Best Use of the CVI Process” (see Appendix H in this “Multi-Angle” document)
2. Workshops, resources, informal meetings, etc. will be offered in the CTLC’s to help residents discover tools and resources useful in prioritizing the list of identified challenges

3. Residents are encouraged to submit one (1) “Final Version” document for this step. The document for this step should include a list of 10-20 items, and must be limited to 4 well-organized and easily read pages (to help with the compilation and summary process). Examples will be provided, and copies of documents submitted during the early part of this step will be available for participants to consider as they prepare their “vote”. Some evidence supporting the items mentioned, or some clarifying comments, may be included to help identify the challenges listed, but citing extensive evidence is unnecessary and discouraged. References to resources of any length can be suggested to local CTLC Coordinators—and entered into the CTLC “Community Journal”.

4. Submitting “Final Version” Documents

- a) Such “Final Version” documents should be submitted to the local CTLC Coordinator during the days and hours designated for this part of the process.
- b) When submitting “Final Version” documents, residents will be required to provide some proof of residency.

5. A “scoring system” common to this kind of “voting” will be applied, so that challenges which are prioritized as most important (first on the list) by some, and which are chosen by many residents as significant in some way, will receive more points than a challenge which is prioritized as most important by some, but not recognized at all by most residents

Special Commentary: Some residents may feel uneasy concerning the problem of residents who are less educated and less informed having as much of a say in the process as those who have spent years working on these issues. This is a fundamental problem, which is not confined to Community Visioning Initiative processes like this; as people who are not sufficiently informed about critical issues are everywhere, and they are investing their time, energy, and money—“voting”—all the time. If we are honest with ourselves about this issue, we must admit that there are very few people who have successfully aligned all of their investments of time, energy, and money with all of the values of the religious, spiritual, or moral tradition they feel closest to. This writer believes that there are many serious challenges before us now, and that we will need to invest our time, energy, and money very wisely to overcome these challenges. How can we do it? We must help each other. The Community Visioning Initiative outlined in this proposal is time-intensive so that we will have time to learn much more than we know now about how to encourage and support each other in community building processes like CVIs.

6. The compilation and summarizing of all “challenges identified” “Final Version” documents will be carried out by thoroughly screened volunteers, supervised by local CTLC Coordinators, and independently reported on by volunteer journalists and neutral parties such as ombudpersons (who will also observe the process to evaluate transparency, thoroughness of documentation, and fairness).

7. A Summary List of the Challenges Identified will then be published in local newspapers, posted on the CVI website, and many copies will be made accessible in the CTLC’s.

Step 7 A Two Week Interval from the Publication of the Challenges Prioritized Summary List to the Beginning of Step 8

(Approximate Time Required: 2 weeks)

A. Goal

- 1) To allow a time of public comment (in local newspapers, on websites, etc.)—and discussion—on the content of the Challenges Prioritized Summary List

Step 8 Workshops, Meetings, and “Voting” to brainstorm solutions to the Challenges Prioritized Summary List

(Approximate Time Required: 4 weeks)

A. Goals

- 1) A List (compiled and summarized through a transparent, well-documented, and fair process) of all the Solutions mentioned by participating residents (in response to the “Challenges Prioritized Summary List”) will be published in local newspapers, posted on the CVI website—and many copies will be made available in local CTLC’s
 - a) Solutions categories mentioned most often will include some examples of the different ways that solution was described
 - b) The summary list will begin with the solutions identified most often, and list the challenges in order from most often identified to least often identified
 - c) The listings will include, in the first line, a reference to the challenge, or challenges, targeted

B. Suggestions

Note: For more information about “Verifying the Integrity of the Voting Process”, see Section 8 in the IPCR Initiative document “1000Communities²”, at <http://www.ipcri.net/1000Communities2.pdf>

1. Residents are encouraged to follow the “Suggestions for Making Best Use of the CVI Process” (see Appendix H in this “Multi-Angle” document)

2. Workshops, resources, informal meetings, etc. will be offered in the CTLC’s to help residents sort through what could seem like an overwhelming and complex assessment process

3. Residents are encouraged to submit one (1) “Final Version” document for this step. The document for this step should include a list of 10-20 items, and must be limited to 4 well-organized and easily read pages (to help with the compilation and summary process). Examples will be provided, and copies of documents submitted during the early part of this step will be available for participants to consider as they prepare their “vote”. Some evidence supporting the items mentioned, or some clarifying comments, may be included to help identify the solutions listed, but citing extensive evidence is unnecessary and discouraged. References to resources of any length can be suggested to local CTLC Coordinators—and entered into the CTLC “Community Journal”.

Important Note: If the “sister community” idea is being identified as a possible solution, it will enter into formal consideration if it is submitted by even one (1) resident during this step of the process. Naturally, if the “sister community” idea, or any other idea proposed as a solution to one or more challenges, is among the top five or ten solutions mentioned by many residents, it will receive more attention in workshops, formal and informal meetings, resources available through the CTLC’s—and in public discourse in local newspapers, in websites, etc.

4. Submitting “Final Version” Documents

- a) Such “Final Version” documents should be submitted to the local CTLC Coordinator during the days and hours designated for this part of the process.
- b) When submitting “Final Version” documents, residents will be required to provide some proof of residency.

5. The compilation and summarizing of all “solutions identified” “Final Version” documents will be carried out by thoroughly screened volunteers, supervised by local CTLC Coordinators, and independently reported on by volunteer journalists and neutral parties such as ombudpersons (who will also observe the process to evaluate transparency, thoroughness of documentation, and fairness).

6. A Summary List of the Solutions Identified will then be published in local newspapers, posted on the CVI website, and many copies will be made accessible in the CTLC’s.

- a) The summary list will begin with the solutions identified most often, and list the solutions in order from most often identified to least often identified
- b) The listings will include, in the first line, a reference to the challenge, or challenges, targeted.

Important Note: This summary list will not be considered a list of solutions prioritized however, for the reason that there may be many participants who have not given much importance to a number of very important solutions, and who may change their mind once they see the content and order of the summary list from this step.

Step 9 Workshops, Meetings, and “Voting” Associated with Prioritizing the List of Solutions Identified created in Step 8

(Approximate Time Required: 3 weeks)

A. Goals

- 1) The List of Solutions Identified (created in Step 8) is prioritized by participating residents
- 2) Prioritized lists properly submitted by residents are compiled and summarized through a transparent, well-documented, and fair process; and the summary is published in local newspapers, posted on the CVI website—and many copies are made available in CTLC’s.
 - a) A “scoring system” common to this kind of “voting” will be applied, so that solutions which are prioritized as most important (first on the list) by some, and which are chosen by many residents as significant in some way, will receive more points than a solution which is prioritized as most important by some, but not recognized at all by most residents

B. Suggestions

Note: For more information about “Verifying the Integrity of the Voting Process”, see Section 8 in the IPCR Initiative document “1000Communities²”, at <http://www.ipcri.net/1000Communities2.pdf>

1. Residents are encouraged to follow the “Suggestions for Making Best Use of the CVI Process” (see Appendix H in this “Multi-Angle” document)
2. Workshops, resources, informal meetings, etc. will be offered in the CTLC’s to help residents discover tools and resources useful in prioritizing the list of identified solutions
3. Residents are encouraged to submit one (1) “Final Version” document for this step. The document for this step should include a list of 10-20 items, and must be limited to 4 well-organized and easily read pages (to help with the compilation and summary process). Examples will be provided, and copies of documents submitted during the early part of this step will be available for participants to consider as they prepare their “vote”. Some evidence supporting the items mentioned, or some clarifying comments, may be included to help identify the solutions listed, but citing extensive evidence is unnecessary and discouraged. References to resources of any length can be suggested to local CTLC Coordinators—and entered into the CTLC “Community Journal”.
4. Submitting “Final Version” Documents
 - a) Such “Final Version” documents should be submitted to the local CTLC Coordinator during the days and hours designated for this part of the process.
 - b) When submitting “Final Version” documents, residents will be required to provide some proof of residency.
5. A “scoring system” common to this kind of “voting” will be applied, so that solutions which are prioritized as most important (first on the list) by some, and which are chosen by many residents as

significant in some way, will receive more points than a solution which is prioritized as most important by some, but not recognized at all by most residents

(Note: The following Special Commentary is repeated, from an earlier section of this proposal, for emphasis)

Special Commentary: Some residents may feel uneasy concerning the problem of residents who are less educated and less informed having as much of a say in the process as those who have spent years working on these issues. This is a fundamental problem, which is not confined to Community Visioning Initiative processes like this; as people who are not sufficiently informed about critical issues are everywhere, and they are investing their time, energy, and money—“voting”—all the time. If we are honest with ourselves about this issue, we must admit that there are very few people who have successfully aligned all of their investments of time, energy, and money with all of the values of the religious, spiritual, or moral tradition they feel closest to. This writer believes that there are many serious challenges before us now, and that we will need to invest our time, energy, and money very wisely to overcome these challenges. How can we do it? We must help each other. The Community Visioning Initiative outlined in this proposal is time-intensive so that we will have time to learn much more than we know now about how to encourage and support each other in community building processes like CVIs.

6. The compilation and summarizing of all “solutions identified” “Final Version” documents will be carried out by thoroughly screened volunteers, supervised by local CTLC Coordinators, and independently reported on by volunteer journalists and neutral parties such as ombudpersons (who will also observe the process to evaluate transparency, thoroughness of documentation, and fairness).

7. A Summary List of the Solutions Identified will then be published in local newspapers, posted on the CVI website, and many copies will be made accessible in the CTLC’s.

Step 10 Workshops, Meetings, and “Voting” Associated with Developing Action Plans to Implement Prioritizing Solutions

(Approximate Time Required: 6 weeks)

A. Goal

- 1) Specific outlines of relevant, practical and doable steps for implementing prioritized solutions, so that as many residents as possible can understand how to use their time, energy, and money in ways that will resolve the challenges of our times

B. Suggestions

1. Residents are encouraged to follow “Suggestions for Making Best Use of the CVI Process” (see Appendix H in this “Multi-Angle” document)
2. Residents are encouraged to work at home, in informal groups, and/or through meetings, workshops etc. at the CTLCs, to arrive at point by point answers to the following questions
 - a) Who would they like to see as the lead organization, agency, institution,, etc. for implementing which solutions?
 - b) How would they like that organization, etc. to proceed?
 - c) What are the most practical and doable steps in such an action plan, and how can they be clearly stated so that they can be understood by as many people as possible?
 - d) How will the general public know if the desired results are being achieved?

Important Note: This is where “accountability indicators” will be identified. They are an important part of the evaluation process—but are only a part of that process. [For more on evaluation, see Section 13 “Some Thoughts About Evaluation” in “The IPCR Workshop Primer” for specific suggestions (at http://www.ipcri.net/The_IPCR_Workshop_Primer_Feb_2010.pdf)]

3. Workshops, resources, informal meetings, etc. will be offered in the CTLC’s to help residents discover tools and resources useful to developing these kind of action plans
4. Residents are encouraged to submit one (1) “Final Version” document for this step. The document for this step should include a list of 10-20 items, and must be limited to 8 well-organized and easily read pages (to help with the compilation and summary process). Examples will be provided, and copies of documents submitted during the early part of this step will be available for participants to consider as they prepare their “vote”. Some evidence supporting the items mentioned, or some clarifying comments, may be included to help identify the action plans listed, but citing extensive evidence is unnecessary and discouraged. References to resources of any length can be suggested to local CTLC Coordinators—and entered into the CTLC “Community Journal”.
5. Submitting “Final Version” Documents
 - a) Such “Final Version” documents should be submitted to the local CTLC Coordinator during the days and hours designated for this part of the process.
 - b) When submitting “Final Version” documents, residents will be required to provide some proof of residency.
6. The compilation and summarizing of all “action plans” “Final Version” documents will be carried out by thoroughly screened volunteers, supervised by local CTLC Coordinators, and independently reported on by volunteer journalists and neutral parties such as ombudpersons (who will also observe the process to evaluate transparency, thoroughness of documentation, and fairness).

Special Commentary

1. While there may be much in the way of action plans suggestions which relate to supplementing work already in progress by existing organizations, agencies, etc.—there will also be a significant amount of suggestions which require the creation of new organizations and partnerships.
2. It is inevitable that some or many of the action plans will require involvement from organizations, agencies, etc. which are outside the community. Actions plans will need to be creative to avoid being stagnated by overdependence on complex global interdependencies. There can be no doubt that steady, consistent efforts over a long period of time will be necessary to bring about solutions to some of the more difficult challenges. This is exactly why it is so important to emphasize that efforts are needed from as many communities of people as possible. (“1000Communities²”)

C. An Important Note About Community Building

This kind of time-intensive Community Visioning Initiative is community building in a most comprehensive and deliberate form. Many of us will have experienced community building in a comprehensive and deliberate form in the past. Ideas about what would assist us in realizing our visions about quality of life were brought forward—and some attracted the time, energy, and money of many people, and some not.

What is different here is that although the “developed” countries in the world are very complex, it is possible for participants in these kind of intensive Community Visioning Initiatives to become keenly aware of how each and every one of the residents in their community has—by their “investments” of time, energy, and money—funded what has come before... and how each resident is a fundamental and critical part of the funding for the action plans and doable steps which will determine what will come next.

Participants will surely wish to increase their awareness of

- a) what patterns of investment they would like to move away from
- b) what patterns of investment they would like to affirm or continue to affirm and
- c) how cooperation with other residents in their community will help them do both.

Step 11 A Six Week Interval for Completion of Lists to be Published and Completion of Summary Reports for Upcoming Presentations in Step 12

(Approximate Time Required: 6 weeks)

A. Goals

- 1) This extra time may be needed for the process of compiling and summarizing the action plans.

- 2) This extra time will also allow those people chosen to make presentations in Step 12 to complete their summary reports.

Step 12 Summary Presentations and Job Fairs

(Approximate Time Required: 4 weeks)

A. Goals

- 1) Steering Committee members (with help from volunteer Advisory Board members, etc.) will summarize the Community Visioning Initiative process
- 2) Steering Committee members-- and key community leaders who were very much involved in the CVI process—will make presentations based on the summaries
- 3) Specifically, information will be provided on how residents can deliberately focus their time, energy, and money so that their actions
 - a) can have positive repercussions on many fields of activity relating to solutions
 - b) can result in an increase in the “ways of earning a living” which are related to solutions and action plans
- 4) Job Fairs will provide a forum for organizations and businesses working in solution oriented fields of activity to describe employment opportunities and future prospects, to discover local talent, to hire qualified prospects, and to build knowledge bases and skill sets for the future

B. Suggestions

1. Although a final published summary of the CVI process (with overall statistics and evaluation survey results) will not yet be available, input on challenges priorities, solution priorities, and action plan summaries will be sufficient for
 - a) Steering Committee members-- and key community leaders who were very much involved in the CVI process—to make presentations based on the preliminary summaries
 - b) Booths in local auditoriums to be allocated to businesses and organizations for very practical and informative job fairs

Special Commentary: By now, there will have been sufficient public discourse for those people with understanding about high level shifts in investment portfolios to have learned something about what directions future shifts will be leaning towards. The job fairs which come at the end of the CVI process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc.) to demonstrate their upgraded awareness—and their interest in the welfare of the community—by offering and facilitating new employment opportunities... and thus helping with a just transition from patterns of investment which in only limited ways represent solutions to prioritized challenges to patterns of investment which in many ways represent solutions to prioritized challenges.

One possible element of this just transition can be that people who do deliberately focus their investments of time, energy, and money towards solutions identified by the Community Visioning Initiative being carried out in their community may receive, as encouragement, local currency. *And then such local currency can, in its turn, be redeemed in ways which will be particularly helpful to people transitioning from less solution-oriented employment to more solution-oriented employment.*

2. People who want CVI processes of this nature to truthfully reflect the challenges before us-- and the solutions which will help us overcome those challenges—will provide resources and supporting evidence at the appropriate steps in the process which is worthy of that kind of conclusion.

Step 13 Evaluating the Process

(Approximate Time Required: 3 weeks)

A. Goal

- 1) Provide evaluation surveys for as many residents as possible and encourage residents to answer as many questions in the survey as possible, with as much careful attention to detail as possible

B. Suggestions

[Special Note: See Section 13 “Some Thoughts About Evaluation” in “The IPCR Workshop Primer” for specific suggestions (at http://www.ipcri.net/The_IPCR_Workshop_Primer_Feb_2010.pdf)]

[Here, in this document, suggestions will related to the actual administration of the evaluation surveys]

1. Developing a well-designed evaluation survey will be most helpful to the process of sharing the lessons learned with other communities. Therefore, careful attention should be given to compensating

the specialists and consultants who will help create the evaluation surveys. (See Step 2 “Initial Preparation”)

2. Announcements will be made in advance detailing designated days and hours when Evaluation Survey Workshops will be scheduled—workshops which will provide assistance for residents filling out the surveys, and which will encourage fellowship and mutual support in the process.

3. Residents can also come to a CTLC, pick up an evaluation survey, fill it out at their convenience, and return it to a local CTLC Coordinator before the deadline.

Step 14 An 8 week interval for compiling and summarizing the evaluation surveys—and for printing the Final CVI Summary Reports (pdf files accessible on websites will be the preferred form of sharing this report)

(Approximate Time Required: 8 weeks)

Step 15 Sharing the Lessons, Carrying the Lessons into the Future

A. Goals

- 1) Final CVI Summary Reports are made available to residents through hard copies at CTLC's, and pdfs on the CVI website, and made accessible to other communities through pdf's on the CVI website, and other CVI clearinghouse websites

Note: There will be a section in the Summary Report which will identify the Action Plans most relevant to carrying the lessons into the future

B. Suggestions

1. Final CVI Summary Reports will include (and incorporate)

- a) notes and reporting which make up an “actions taken” log summary
- b) Steering Committee Selection questionnaire
- c) Progress Reports Summary
- d) Preliminary Surveys (and summary of responses)
- e) Examples of “Final Version” documents (residents “votes”) from each step which requested a vote
- f) A Description of the process used to verify the integrity of the “Voting” process (including summaries from volunteer journalists who reported on the process, ombudpersons who observed and reported on the process, local CTLC Coordinators, and Steering Committee members)

- g) Summaries of Challenges Identified, Challenges Prioritized, Solutions Identified, Solutions Prioritized, and Summaries of Priority Action Plans (including preferred lead organizations and doable steps)
- h) Impact Analysis including relevant statistics from job fairs, accountability indicators, employment statistics, investment statistics, etc.
- i) Steering Committee Summaries
- j) Evaluation Summaries [which will include excerpts from “Community Journals” (see Section 14 “Evaluating the Process”)]

2. Copies of these Final CVI Summary Reports will be accessible at CTLC’s, and pdf’s accessible by way of the CVI website

Important Note: Special emphasis will be given to making copies of this Final CVI Summary Report accessible to other communities through pdf’s on the CVI website, and on other CVI clearinghouse websites

3. Action Plans associated with

- a) CTLC’s
- b) ongoing CTLC workshops
- c) re-evaluation of knowledge base and skill set needs
- d) re-evaluation of nature of educational institutions (see questions in Preliminary Survey and Evaluation Survey)
- e) possible “sister community” relationships
- f) other and etc.

will provide some of the many building blocks for carrying the lessons into the future

4. This kind of CVI process may be repeated at intervals into the future until new patterns of responding to the challenges of our times become such a natural part of everyday community life that the transition to an economically stable, environmentally sustainable and peaceful way of life featuring widespread compassion for our fellow human beings seems to be near completion...

or until the transition to “the kind of future a majority of the residents in any particular community prefers” seems to be near completion.

Appendix H

Suggestions for Making Best Use of the Community Visioning Initiative (CVI) Process

[Note: This Appendix was “Section 7” in the IPCR document “1000Communities²” (at <http://www.ipcri.net/1000Communities2.pdf>)]

A. Residents in communities carrying out Community Visioning Initiative’s are encouraged to learn about the resources available in the “Community Teaching and Learning Centers” (CTLC) closest to their home, and to use the resources as much as possible to become an informed and active participant in the CVI process.

Resources at local CTLC’s will include:

- 1) information, in the form of flyers, brochures, progress reports, etc. about the CVI process in general, and about workshops, meetings, and “voting” times in particular
- 2) workshops and meetings which are based initially on needs suggested by Preliminary Survey results (see Step 3 in the 15 step outline)—and which then vary in accordance with the steps of the CVI process, and suggestions proposed to (and needs perceived by) the local CTLC Coordinator
- 3) the Preliminary Survey results (a survey sent to key leaders from a significant variety of fields of activity in the community) (see Step 3 in the 15 step outline), which will provide insight into the challenges perceived and solutions envisioned by community leaders
- 4) “Final Versions Received” Notebooks—which will provide access to copies of residents “votes” on challenges perceived, solutions envisioned, etc. Such access will also provide insight and information for residents who have not yet submitted their “votes”
- 5) “Community Journals”—which will contain handwritten and signed or printed and signed entries/contributions on any aspect of the CVI process, the issues being explored by the CVI process, and/or any subject of interest to a resident of the community where the “Community Journal” is located. Entries may be categorized according to topics, and may include comments, questions, suggestions, resource recommendations, links, etc. There may be as many as 5 copies of a “Community Journal” in each CTLC. [Note: Entries in the “Community Journal” may be used as part of the evaluation process (see “Some general suggestions for evaluating Community Visioning Initiatives of the kind advocated by The IPCR Initiative”, p. 336).
- 6) “Clearinghouse” information (which will accumulate) on “things people can do in the everyday circumstances of their lives” to deliberately channel time, energy, and money so that such input contributes, in every way possible, to resolving the challenges identified as priority challenges
- 7) Listings of employment opportunities in the local community

B. Residents are encouraged to participate in as many steps or parts of the CVI process as possible, and in as many ways as possible (as active participants, as volunteers, as observers, in a variety of support roles, etc.) as every positive and constructive effort will

- 1) contribute to accumulating and integrating the knowledge and skill sets necessary for the highest percentage of people to act wisely in response to challenges identified as priority challenges

- 2) help people to deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges
- 3) assist with outreach, partnership formation, and development of service capacity for a significant number of already existing (or forming) organizations and businesses
- 4) help to build a high level of consensus for specific action plans, which will help inspire additional support from people, businesses, and organizations with significant resources

C. Residents are urged to encourage and support each other (and advocate for the welfare of the entire community) by making positive and constructive contributions to public discourse, workshop and meeting discussions, informal discussions—to any other elements of the CVI process—and to any other elements of everyday community life which may increase the greater good of the whole.

D. Residents are specifically encouraged to “vote” (“voice their views”) submit one (1) “Final Version” document for Steps 5, 6, 7, 9, and 10. The document should be submitted to the CTLC Coordinator during the days and hours designated for this part of the process, to facilitate the compilation and summary process. Deadlines for such “votes” will be posted well in advance, and the compilation and summary process will be closely monitored to ensure that the process is transparent, well-documented, and fair. (For more information about how the “voting” process will be monitored, see Section 8 “Verifying the Integrity of the ‘Voting’ Process”, in “The IPCR Workshop Primer”, at http://www.ipcri.net/The_IPCR_Workshop_Primer_Feb_2010.pdf).

E. Residents are specifically encouraged (by this proposal) to carefully consider the additional concept of creating a “sister community” relationship with a community in another country where there has been well-documented calls for assistance with basic human needs. Having a “sister community” relationship of this nature as an ongoing project in a community can do much to bring compassion for our fellow human beings to the forefront, as a critical part of resolving the challenges of our times.

F. Concluding Comments

Hopefully

- 1) by providing a well-organized CVI process, CTLC’s and ongoing workshops and
- 2) by encouraging formal and informal meetings between people in the neighborhoods and local communities (for discussion, information sharing, mutual support and encouragement, fellowship and friendship, etc.)

the results will include the building of a close-knit community of people

with a healthy appreciation for each others strengths
 and with a well developed capacity to resolve even the most difficult challenges
 of our times

Appendix I

117 Related Fields of Activity

This writer has identified 117 fields of activity related to peacebuilding, community revitalization, and ecological sustainability efforts. If readers consider the number of organizations, initiatives, and individuals associated with efforts in these fields of activity, I believe they will share this writers' view that there are countless number of "things people can do in the everyday circumstances of their lives" which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in our own communities and regions—and in other parts of the world

Important Notes: This list is, and will always be, an incomplete list—because it reflects this writers' preferences, and because of its very nature (i.e. it represents only a fraction of the countless numbers of "things people can do in the everyday circumstances of their lives" which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world). Also, [the "Links" section of this website](#) (the IPCR Initiative website, at www.ipcri.net), [provides starting point links associated with each of these "fields of activity"](#) (In addition, some "fields of activity" have text, excerpts, or commentary from referenced sources).

1. alleviating hunger
2. alternative gifts
3. appropriate technology
4. barter networks
5. capacity building
6. car sharings
7. car-free zones
8. carbon footprint
9. charitable foundations
10. child sponsorship
11. citizen participation
12. citizen peacebuilding
13. co-housing
14. community banks
15. community development
16. community economics
17. community education
18. community gardens
19. community good news networks
20. community journals
21. community land trusts
22. community membership agreements
23. community organizing
24. community revitalization
25. community revolving loans
26. community service work
27. community supported agriculture
28. community supported manufacturing
29. community visioning initiatives
30. composting toilets
31. conflict resolution
32. consensus decision making
33. cradle to cradle
34. cultural diversity
35. development assistance
36. disease control
37. ecological footprint analysis
38. ecological tipping points
39. economic conversion
40. ecovillages
41. edible schoolyards
42. education—spiritual, moral, religious, interfaith
43. emergency humanitarian aid
44. emergency medical assistance
45. employment training/green job training
46. energy conservation
47. energy descent pathways
48. energy return on energy invested (EROEI)
49. evaluation strategies
50. fair trade
51. faith mentoring
52. farmers markets
53. food co-ops
54. green living
55. green politics
56. green purchasing
57. green retrofitting
58. holistic education
59. holistic health care
60. homesteading

- | | |
|--|--|
| 61. indicators/sustainability indicators | 90. renewable energy |
| 62. individual spiritual formation | 91. renewable resources |
| 63. inspiring role models | 92. right livelihood |
| 64. interfaith dialogue | 93. right livelihood employment listings |
| 65. interfaith peacebuilding | 94. school business partnerships |
| 66. intergenerational projects | 95. service learning |
| 67. life cycle assessment | 96. sister community relationships |
| 68. local community points of entry | 97. slow money |
| 69. local currency | 98. socially engaged spirituality |
| 70. locally based food processing | 99. socially responsible investing |
| 71. locally grown food | 100. spiritual discipline/spiritual practice |
| 72. low impact transport systems | 101. spiritual diversity (religious pluralism) |
| 73. meditation | 102. spiritual friendships |
| 74. mentoring | 103. spiritually responsible investing |
| 75. microgeneration | 104. sustainable design/natural building |
| 76. neighborhood revitalization | 105. sustainable health care |
| 77. oil depletion protocol | 106. urban agriculture |
| 78. open courseware | 107. vegetarianism |
| 79. open source social solutions | 108. village design |
| 80. open space technology | 109. village industries/cottage industries |
| 81. organic farming | 110. violence prevention |
| 82. peace studies programs | 111. voluntary simplicity |
| 83. peacebuilding | 112. waste water treatment |
| 84. peak oil | 113. water conservation |
| 85. permaculture | 114. water purification |
| 86. positive news | 115. world population awareness |
| 87. preventative health care | 116. yoga |
| 88. questionnaires/surveys | 117. zero waste |
| 89. recycling | |

Everyone is involved when it comes to determining the markets that supply the “ways of earning a living”. (SP)

Appendix J

List of Most Inspiring Initiatives Known to This Writer

Important Note: This list is, and will always be, an incomplete list—because it reflects this writers’ preferences, and because of its very nature (i.e. it represents only a fraction of the countless numbers of “things people can do in the everyday circumstances of their lives” which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world)

Alternative Gifts; Ashoka; BALLE; Berkshares; Beyond Intractability; Big Brother, Big Sister; California Green Solutions; Calvert Group; Catholic Relief Services; Center for Disease Control and Prevention; Center for Steady State Economies; ChangexChange; Chelsea Green; Children International; Community-Based Institute (for) Peace Education; Composting Toilet World; Countryside Magazine; Davis Foundation; Doctors Without Borders; Earth Policy Institute; Energy Bulletin; Fair Trade; Findhorn Foundation; First Affirmative Financial Network; Gaia Education; Gaia University; Global Ecovillage Network; Global Fund for Women; Green America; Habitat for Humanity; Heifer International; Hunger Project; Interaction; Interfaith Youth Core; International Network of Engaged Buddhists; Local Harvest; National Peace Academy; New Economics Institute; Northeast Organic Farming Association; Oxfam International; Permaculture Research Institute; Red Cross; Red Crescent; Religions for Peace; Robyn van En Center for Community Supported Agriculture; Sante Fe Alliance; Satyana Institute; Schumacher College; Seva Foundation; Sister Cities International; Skillshare; Slow Money; Teachers Without Borders; Tides Foundation; Transition Movement; United Religions Initiative; Village Design Institute; Village Earth; Warren Wilson College; Women’s Earth Alliance; Women’s Funding Network; Worldpulse; World Food Programme; World Health Organization; Yes! Magazine; Zero Waste Alliance

Appendix K

Section #7 “A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions” (“Commentary” piece)

[Note: also at http://www.ipcri.net/Draft_Section_7_Commentary_Marginalization_of_Wisdom.pdf]

Commentary (for Challenge #7--A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions)

If some or many of the challenges listed in this “Critical Challenges Assessment...” get beyond efforts to “manage the risk”, there could be catastrophic failures in multiple systems at the same time: employment, food price stability, transportation, water supply, waste treatment, medical assistance, disease control, violence prevention, law and order—and the positive momentum which could have minimized such failures may be difficult to recreate. Whether we will have extreme difficulties managing the challenges ahead, or whether we will be a part of an unprecedented effort of international collaboration and solution-oriented momentum may—to a significant degree—depend on what the leaders of religious, spiritual, and moral traditions decide to encourage their followers to do.

This writer has heard a radio program during which the interviewer asked Lester Brown (“World on the Edge”) if he was finding it difficult to be an optimist, given the near overwhelming nature of the challenges ahead. His reply was to repeat what he had heard from a colleague of his: that it is too late to be pessimist. This writer would like to emphasize another kind of optimism: he hereby affirms his belief that all major religious, spiritual, and moral traditions do succeed at times in helping people to have faith in a “Divinity of a Universal Kind”—with attributes of wisdom and compassion which can be understood by ordinary human beings. When we *actually see manifestations of such wisdom and compassion in the everyday circumstances of community life*, we can have more trust in the ways such wisdom and compassion have been cultivated in the past, and do our best to cultivate them now.

The challenges of our times are such that it is now critical for us to access the storehouses of wisdom and compassion which have accumulated over the many centuries of human experience, and which have been confirmed again and again as essential to individual well-being and social harmony by the saints, sages, spiritual leaders, and sincere practitioners of all religious, spiritual, and moral traditions.

Many people may think it is naïve to imagine that people from so many diverse religious, spiritual, moral, and cultural traditions can decide to come together in such a way as to not only encourage, but participate in, a high percentage of constructive thinking and constructive action in response to the difficult challenges ahead (as in the high levels of participation encouraged by comprehensive Community Visioning Initiatives). From this writer’s point of view, such skepticism and cynicism depend for their existence on doubts as to whether it is possible for people to achieve highly advanced forms of wisdom and compassion through genuine instruction and sincere effort. *Thus it is that there is a great responsibility on those people who are in any way representatives of religious, spiritual, and/or moral traditions—to demonstrate what is possible along the lines of wisdom and compassion, to provide genuine instruction when sincere efforts are being made, to contribute to the greater good of the whole, and to help restore confidence in the higher values of life.*

And what is possible along the lines of wisdom and compassion? How many of us would say that we are fully aware of what is possible along the lines of wisdom and compassion? What would the everyday circumstances of our community life be like if many of us *were* fully aware of what is possible along the lines of wisdom and compassion? Many of us *could be* much more familiar with what is possible... unfortunately, much of the real treasured wisdom of religious, spiritual, and moral traditions now seems to be hidden—and thus in need of being re-discovered. These “hidden” resources include teachings which inspire and encourage people to

- a) place a high priority on the development of truth, virtue, love, and peace—and live disciplined lives for the purpose of adhering to truth, cultivating virtue and love, and maintaining the pathways to enduring peace
- b) sacrifice personal desires for the greater good of the whole
- c) find contentment and quality of life while consuming less material goods and ecological services
- d) prefer peacebuilding which supports and actualizes mutually beneficial understandings, forgiveness, and reconciliation—and *which abstains from violent conflict resolution*—as a way of bringing cycles of violence to an end
- e) use resources carefully, so that there is surplus available for emergency assistance
- f) support community life and cultural traditions which “... bring to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it.

In other words, this writer believes that human morality is not a constant—it is not something which is the same throughout the centuries of human existence; and thus it is something which can become degraded or raised up, depending on the leanings of human aspirations.

There may be times when people focus more on self-indulgence or self-enrichment, and there may be times when people focus more on the greater good of the whole. For much of our modern age, we—collectively—seem to have been at a crossroads, a crossroads which has at least something of the following four themes in it.

- a) “For most of the 20th Century, and especially since the Second World War, higher education has been largely a secular enterprise. The goal of a college or university education has been to provide students with scholarly ways of understanding both themselves and the world around them that required little or no appeal to God, religion, or the sacred. The underlying assumption seemed to be that as research and rational reflection explained more and more of the world, religion would become and increasingly unnecessary part of human life. Higher education prepares students for the future, and religion was not particularly relevant for the future as it was envisioned at most universities.” (from introduction to “The American University in a Postsecular Age”)
- b) “Were I to have the least bit of knowledge, in walking on a Great Road,
it’s only going astray that I would fear.
The Great Way is very level;
but people greatly delight in tortuous paths.”
- c) As a result of the unprecedented opportunities created by the expansion of the Internet, we have now arrived at a very auspicious moment in time... for at no other time in the course of history has so

many people had access to so much in the way of time-tested guidelines, inspiring role models, and service-oriented initiatives relevant to peace, prosperity, and happiness for all humanity.

d) One of the most persistent ironies in life is that with so many opportunities to provide real assistance to fellow human beings—and with the potential for such assistance to result in happiness “to those who extend help as well as to those who receive it”—there are still many, many people in this world who cannot find a “way to earn a living” providing such assistance.

Some of the challenges of our times are at the very core of the difficulty of being human beings, and are challenges which people have faced since the beginning of time. Some of the challenges are circumstantial: during times when there is much prosperity many people may not recognize these fields of activity as problematic... and yet, such activities may contribute much to the persistent irony mentioned above. And some of the challenges may be considered the result of a kind of spiritual sickness: people with clear opportunities for walking on a Great Road are instead “greatly delighting in tortuous paths”.

This writer believes it is becoming more and more likely that an exponential increase in compassion for our fellow human beings will need to become an essential and critical element of a truly comprehensive response to the challenges of our times. In such circumstances, we cannot afford to exclude from our “tool box” the time-tested sources which have helped people learn compassion over many centuries. What we need to do instead is to learn how to cultivate the time-tested sources so that the sources yield the treasured wisdom.

This writer also believes—and hopes many other people share this belief—that if we are to overcome the challenges of our times we will need not only the resources which innovators can prove the existence of by scientific method; we will also need the resources which people of faith believe exist as a result of inner experience.

The IPCR Initiative encourages and supports the belief that the likelihood for a positive outcome to the challenges of our times will be increased

--if there many people in same community who were “pulling for each other” to find spiritual strength by way of deepening their faith and belief that there *is* a more advanced and more benevolent spiritual entity than ourselves—and that such an entity *does actually count for something* in overcoming the difficult challenges ahead.

This writer understands—to emphasize by repetition—that as a result of the unprecedented opportunities created by the expansion of the Internet, we have now arrived at a very auspicious moment in time... for at no other time in the course of history has so many people had access to so much in the way of time-tested guidelines, inspiring role models, and service-oriented initiatives relevant to peace, prosperity, and happiness for all humanity.

And this writer understands that there is now a profound and critical need for as many people as possible to exercise as much love, understanding, and forgiveness as possible—in as many ways as possible. Because the beliefs of this writer go in such a direction, his feeling towards anyone who is sincerely trying to cultivate love, understanding, and forgiveness is that he would like to encourage

them and assist them, in any way possible. (*When the going gets difficult in our personal lives, will we have enough faith to continue to do our part? And will we have enough wisdom to understand that it is just as important for others to maintain their faith, as it is for us to maintain ours?*)

As a way of concluding the (draft) commentary for this Section #7, I have included some introductory information about the “I Ching”, and a quote from one contemporary interpretation of the “I Ching”.

a) Introductory Information

“The Book of Changes—I Ching in Chinese—is unquestionably one of the most important books in the world’s literature. Its origin goes back to mythical antiquity, and it has occupied the attention of the most eminent scholars of China down to the present day. Nearly all that is greatest and most significant in the three thousand years of Chinese cultural history has either taken its inspiration from this book, or has exerted an influence on the interpretation of its text. Therefore, it may safely be said that the seasoned wisdom of thousands of years has gone into the making of the I Ching. Small wonder then that both of the two branches of Chinese philosophy, Confuciansim and Taoism, have their common roots here..... [Lao Tzu knew this book, and some of his profoundest aphorisms were inspired by it. Indeed, his whole thought is permeated with its teachings. Confucius too knew the Book of Changes and devoted himself to reflection upon it. (Confucius is known to have said: “If some years were added to my life, I would give 50 to the study of the I Ching, and might then escape falling into great errors.”) He probably wrote down (some of the interpretive comments attributed to him), and imparted others to his pupils in oral teaching.”]

(from Richard Wilhelm “Introduction” to his I Ching interpretation p.1-2) (with Confucious quote added)

The 64 “hexagrams” associated with the I Ching contain commentaries and observations associated with particular patterns of experience. (Ex: Difficult Beginnings, Calculated Waiting, Adapting, Reform, Danger, Retreat, Obstacles, Temptation, Changing, Reuniting, etc.) The Chinese people who developed the I Ching discovered that reflecting on these patterns of experience was of great value in aligning themselves with the Tao. The Tao has been defined as “the only reasonable and harmonious path for the individual through the cosmos, given his nature and the nature of the cosmic forces at a given moment in time.” (this writer; and quote from R.L. Wing)

b) In the interpretation of the “I Ching” (ancient book of Chinese philosophy) by R.L. Wing, this writer found the following passage:

“It is possible for leaders to be so magnanimous and progressive—and circumstances to be so constructive and inspiring—that even the most evil elements change for the better.”

(#11 Prospering R.L. Wing)

There are actions people can take in the everyday circumstances of community life which will encourage the emergence of many such leaders.

Appendix L

A Sample Questionnaire from The IPCR Initiative (16 Questions)

[Note: The questions included in this section have been selected from the IPCR document “39 Suggestions for Preliminary Survey Questions (as Preparation for Community Visioning Initiatives)” (with subtitle: and a beginning database for “Questionnaires That Help Build Caring Communities”) (at [http://www.ipcri.net/39 Suggestions for Preliminary Survey Questions 2.pdf](http://www.ipcri.net/39_Suggestions_for_Preliminary_Survey_Questions_2.pdf)) The introduction in that document provides insight into the potential benefits of carrying out preliminary surveys prior to Community Visioning Initiatives, and creating a community database of questions for periodic questionnaires and surveys.]

The 16 Questions:

(question numbers refer to the question number in above mentioned IPCR document)

2. Home Territory

Please name one—or two—communities/towns/cities/regional areas which you would identify as your “home territory” [i.e. where you have the most significant personal reasons for making your home, and living many years of your life... (even if you are not currently living there)]. Please list your 5 most significant personal reasons for identifying your “home territory”—and rank them as most significant, next most significant, etc., using 1 as most significant, 2 as next most significant, and so on.

3. An Initial Assessment

For the questions below, please check the box which best corresponds to the way you view the following statements:

a) “As a result of the unprecedented opportunities created by the expansion of the Internet, we have now arrived at a very auspicious moment in time... for at no other time in the course of history has so many people had access to so much in the way of time-tested guidelines, inspiring role models, and service-oriented initiatives relevant to peace, prosperity, and happiness for all humanity.”

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I believe it-- and there is much evidence to support it	I believe it-- and there is sufficient evidence to support it	I would like to believe it, but there isn't enough evidence to support it	It is difficult to believe it, with the way things are going now	I don't believe it—there is no evidence to support it

b) “There are countless numbers of ‘things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts, in their own communities and regions—and in other parts of the world.”

I believe it-- and
there is much evidence
to support it

I believe it-- and
there is sufficient
evidence to
support it

I would like to
believe it, but there
isn't enough evidence
to support it

It is difficult to
believe it, with the
way things are
going now

I don't believe it—
there is no evidence
to support it

c) “Even now, as you are reading this, truly inspiring contributions of genuine goodwill are being generated in a variety of ways—and in a variety of circumstances—by countless numbers of people in communities around the world.”

I believe it-- and
there is much evidence
to support it

I believe it-- and
there is sufficient
evidence to
support it

I would like to
believe it, but there
isn't enough evidence
to support it

It is difficult to
believe it, with the
way things are
going now

I don't believe it—
there is no evidence
to support it

4. Definition of “the good life”

What is your definition of “the good life?” Please describe your definition of “the good life”—including both those parts of “the good life” which you already have, and those parts of “the good life” which you still hope to attain. (Note: Please clearly indicate which parts of “the good life” you already have, and which parts you still hope to attain.)

5. Preferred Providers of Goods, Services, etc.

Who would you identify as your “preferred provider” in the following areas of life in your community? [Note: To realize the benefits of this question, it will be sufficient to answer with what first comes to mind for as many categories as you can.]

Building Construction
Building Supplies
Clothes Manufacturer
Communication Services
Disaster Relief
Education System Development
Emergency Health Care
Energy Production and Distribution
Food Distribution
Food Processing
Food Production
Government

Health Care
Home Furnishings
Home Repair
Information Services
Recycling
Religious, Spiritual, and Moral Instruction
Road Building, Maintenance, and Repair
Shoemaker
Teachers/Educators
Transportation
Waste Treatment and Disposal
Water Purification and Distribution

a) Considering this group of people as a whole, how well do you know the people who you think of as your “preferred providers” in these areas of your community life? (Please check the appropriate box below to indicate your answer).

- | | | | |
|---|-----------------------------------|---|-----------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| closely connected--
many personal
relationships | closely connected
in some ways | only slightly connected--
very few personal
relationships | solely as service providers |

b) Is the way your “preferred providers” (as a whole) carry out their responsibilities consistent with your idea of “things people can do in the everyday circumstances of their lives’ which will contribute to peacebuilding, community revitalization, and ecological sustainability efforts in your community and region—and in other parts of the world?” (Please check the appropriate box below to indicate your answer).

- | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| most of the time | in some ways | almost never | I don’t know |

6. Most Difficult Challenges, Most Valuable Resources

Included in Appendix A (of this “Multi-Angle” document) is a list of challenges which this writer feels are most important to make significant progress on in the months and years ahead. Consider that “Ten Point...” list provided as one example of a response to part a) of this question. Then, following your own independent thinking on this important subject, please respond as best you can to the following questions.

- a) From your point of view, what are the most difficult challenges of our times?
- b) Do you believe that we—collectively—have the resources necessary to overcome the challenges you have identified as the most difficult challenges of our times?
- c) If your answer to Question #2 is yes, please describe the resources you believe will contribute the most to helping us—collectively—overcome the challenges you identified.
- d) If your answer to Question #2 is no, please offer any and all sincere, constructive, relevant, and practical suggestions for what we— collectively—can do to inspire, encourage, and/or create the resources you believe *would be necessary* to overcome the challenges you identified.

7. Engines of Economic Stability

Many people seem to be worried that “the economy” will collapse if there is widespread movement from “consuming material goods and ecological resources indiscriminately” to “discriminating carefully about use of material goods and ecological resources”... and yet many of the challenges of our times are very deeply rooted in cultural traditions, which suggest that it may require decades, generations, or even centuries to resolve such challenges. Surely, there will be work to do....

Please carefully consider the above introduction to this question, and then respond to the following questions.

a) Please name as many engines of economic stability and methods of economic conversion as you can which you believe would result in communities that

minimize resource requirements
maintain ecological sustainability
maintain a high level of compassion for fellow human beings

and which represent what a significant majority of community residents surveyed would describe as a high quality of life.

b) Please check the box below which best corresponds to your view of the following statement:

“It is possible to create, support, and sustain communities which can minimize resource requirements, maintain ecological sustainability, maintain a high level of compassion for fellow human beings— and which represent what a significant majority of community residents surveyed would describe as a high quality of life.”

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I believe it-- and there is much evidence to support it	I believe it-- and there is sufficient evidence to support it	I would like to believe it, but there isn't enough evidence to support it	It is difficult to believe it, with the way things are going now	I don't believe it— there is no evidence to support it

8. Arriving at Working Definitions of “Right Livelihood”

Consider what ways of earning a living you would identify as “right livelihood.”

Now imagine a local community resource guide relating to employment, apprenticeships, training, and volunteer opportunities associated with “right livelihood.”

And further: imagine a committee commissioned to produce such a “right livelihood” resource guide.... And the individuals who make up the committee commissioned to produce such a resource guide....

- a) What background (qualifications, experiences, etc.) would you like such individuals to have?
- b) What local institutions would you consider most appropriate to commission such a resource guide, and oversee its production?

9. Identifying Experienced Practitioners, Stakeholders, and People Needing Assistance

Consider the assessment of the most difficult challenges of our times which you created as a response to question #6 part a).

- a) Who are the Experienced Practitioners, who are most qualified to be educating people on how to successfully overcome each of the ten challenges you identified?

(Special Notes: Please be specific, as in times of emergency, it will be most important for leaders to understand which people are perceived as most qualified by the majority of the residents in a particular community. Also, please be straightforward and honest: if you do not know who would be most qualified to respond, please respond accordingly.)

- b) Who are the Stakeholders (the people who will be affected by the education provided and guidance given by the Experienced Practitioners)?
- c) Who are the People Needing Assistance (the people who do not know how to respond to the challenges you identified)?

12. A Visioning Exercise on the Subject of Educational Institutions

For this question, please consider the difficult challenges you identified in question #6 (see above).

- a) Please describe the kind of educational institution which you believe is most appropriate for creating the knowledge base and skill sets necessary to overcome the difficult challenges you identified. (Note: You may describe an educational institution similar to one in your community or region, or create a description of an educational institution which does not currently exist. Either way, please try to include, in your description, answers to the following questions.... What would it look like? What would it be called? Where might it be located? What would be essential as “structures” and “departments” of such an educational institution? What would be an appropriate “land use layout” for such an institution?)
- b) What kind of certification or experience would be required to become an instructor at such an educational institution?
- c) What kind of appropriate technology would be in use to reduce the ecological footprint and the carbon footprint of building construction, food production, and special materials acquisition?

d) How would such an institution be funded?

13. Making a Community Visioning Initiative Happen in Your Community

For this question, please consider the list A (below) , which offers a brief description of Community Visioning Initiatives, and Appendix G, which offers a more specific description of a Community Visioning Initiative, by providing a 15 Step Outline for a comprehensive 18 month long Community Visioning Initiative.

List A

1. Well organized efforts to identify problems and brainstorm solutions are a universally recognized approach to problem solving which is commonly used in family, community, business, and government settings in every part of the world.
2. In its most basic format, a Community Visioning Initiative (CVI) is simply a more comprehensive variation of the above mentioned approach to problem solving.
3. Community Visioning Initiatives (CVIs) can be described as a series of community meetings designed to facilitate the process of brainstorming ideas, organizing the ideas into goals, prioritizing the goals, and identifying doable steps.
4. Community Visioning Initiatives (CVIs) are especially useful as a means of increasing or maximizing citizen participation in the planning phase of community revitalization efforts.
5. In 1984, the non-profit organization Chattanooga Venture [Chattanooga, Tennessee (USA)] organized a Community Visioning Initiative that attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars.

This question—question #13—is about how to make a Community Visioning Initiative happen in your community.

Here is the two part question:

Consider the elements of preparation, education, funding, and organization necessary for a successful Community Visioning Initiative in your local community or region.

- a) Describe 3 steps which are practical and doable and which would help make a Community Visioning Initiative more likely to happen in your local community or region.
- b) Describe 3 obstacles or difficulties which would make a Community Visioning Initiative less likely to happen in your local community or region.

14. Proactive Measures to Encourage Constructive Activity during Community Visioning Initiatives

Consider the following commentary on preparation for carrying out a Community Visioning Initiative....

People who are doing preliminary planning for carrying out a Community Visioning Initiative should be aware that there may be people in the community who—regardless of the difficulties and urgencies associated with resolving multiple crises—choose to focus their attention of trying to make money by preying of people’s fears, manipulating people’s trust, and/or encouraging people to abandon hope in higher aspirations, and indulge in unhealthy, or immoral behavior. Such behavior is clearly counterproductive to the building of caring communities; it can be very dangerous for community morale, and it can become a crippling obstacle in times of crises. Responsible people will take sufficient preventative measures to proactively encourage a high percentage of constructive thinking and constructive action in their community.

The question: please list at least 5 preventative measures which you believe would proactively encourage a high percentage of constructive thinking and constructive action during the carrying out of a Community Visioning Initiative in your community.

16. People, Institutions, etc. Which You Personally Place Your Faith In

During the course of any given day, each of us consciously or unconsciously places our faith in a variety of people, institutions, organizations, businesses, beliefs, principles, practices, commonly agreed upon codes of conduct, etc. Consider carefully the ‘things you do in the everyday circumstances of your life’ — and then list 10 people, institutions, etc. which you personally place your faith in. Then, please mark or arrange the list so that #1 is the most significant person, institution, etc which you personally place your faith in, #2 is the second most significant, and so on.

18. Cultivating Sympathy and Compassion

Please name 5 people—who you know personally, and/or who you have been influenced by—who have inspired in you the qualities of sympathy for the suffering of others, and willingness to express compassion in ways which might alleviate some of such suffering.

a) What does your local community do—specifically, as a community—to nurture, encourage, support, and inspire-- to cultivate-- such persons, and thus to attract other such people to move into your local community?

24. Global Drugs Trade, Global Arms Trade—and Solutions?

Consider the following excerpt from the “World Report of Violence and Health: Summary (Recommendations for Action)” (by the World Health Organization, 2002):

“The global drugs trade and the global arms trade are integral to violence in both developing and industrialized countries. Even modest progress on either front will contribute to reducing the amount and degree of violence suffered by millions of people. To date, however—and despite their high profile in the world arena—no solutions seem to be in sight for these problems.”

a) Do you believe there are “solutions in sight” for the above mentioned problems, or do you agree with the authors at the World Health Organization? If you believe there are “solutions in sight”, please be specific and describe such solutions. Or, if you agree that “no solutions seem to be in sight”, offer your view on as to why we seem to be at a point where “no solutions seem to be in sight” for those problems.

b) Please check the box (or boxes) which best corresponds to the way you view of the following statement.

How much daily contact with the treasured wisdom of religious, spiritual, and moral traditions do you feel people in general would need before we would see noticeable progress on the above mentioned problems (the global drugs trade and the global arms trade)?

				X	Y
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
more than is likely to happen	a profound increase from current levels	a lot more	a little more	additional solutions will be essential to make noticeable progress	have different view—or different understanding of our present circumstances

c) If you checked boxes X and/or Y, please describe below any solutions to the above two problems (drugs trade and arms trade) which you feel would be helpful contributions to making noticeable progress on resolving these problems.

32. Identifying the Most Important Elements of Community Life and Cultural Traditions

In the best of times, even the most profound challenges can be overcome; for in the best of times, _____ is/are nurtured, supported, and sustained by family, teachers, mentors, elders, and the everyday influences of community life and cultural traditions.

Please “brainstorm” on the subject of what would best fill in the blank in the above statement. Then choose 5-10 items from the “brainstormed list”, and rank them according to most important, and next most important, using 1 as most important, 2 as next most important, and so on.

34. If Only There Was a Way....

Please complete the following sentence in as many ways as you believe may help others who will read your responses:

If only there was a way to _____.

35. The Person Who Will Help Me the Most....

Please complete the following sentence in as many ways as you believe may help others who will read your responses:

The person who will help me the most is the person who will _____.

Appendix M

The IPCR Resource Sharing Policy

(Note: Update of “The IPCR Copyright Policy”—activated July 10, 2011)
(with an addition on January 15, 2012)

In light of the urgent need to build bridges and increase collaboration between diverse communities of people, all of the documents, information, resources, etc. created by The IPCR Initiative and accessible at The IPCR Initiative website (at www.ipcri.net) are accessible for free, and may be used without permission and without attribution. This writer gladly and willingly contributes time, energy, and money to make the resources and documents of The IPCR Initiative accessible to people for their own personal use, or so that they can assist fellow human beings and contribute to the greater good of the whole. Also, anyone who would like to go forward with workshops along the lines of the "Workshops" section of The IPCR Initiative may do so, and may use whatever IPCR resources to do so, with no need for permission, attribution, or arrangements for compensation. The challenges ahead are significant; if IPCR resources can help people build solution-oriented momentum, that would be the best kind of compensation.

Thus, once a pilot project (using IPCR resources of any kind—for examples, see “A Four Page Summary of The IPCR Initiative” or “Brief Descriptions of The Eight IPCR Concepts”) is underway, the IPCR Initiative does not require that any such pilot projects use The IPCR Initiative name, or adhere to any common mission statement, or list of shared goals. In other words, any individuals or communities of people using IPCR ideas or resources will have no obligation to adhere to a “brand” message—or even reference or make attribution to IPCR resources which inspired their efforts. They can build, adopt, change, modify, and otherwise create their own way forward—with their own name for the initiative, their own website content, their own stated goals, etc. By encouraging innovation and creativity in this way many different experiments can be made, and there will be more chances that many communities of people will arrive at many different kinds of successful model projects.

In addition, if communities of people can arrive at the understanding that the *whole community* will be sufficiently compensated by carrying out the “constellation of initiatives” kind of solution-oriented activity advocated by The IPCR Initiative, questions regarding personal compensation will be of lesser importance... the exponential increase of solution-oriented activity will dispel the lack of trust which compels people to be overly concerned with accumulating and safe-guarding a predominantly personal definition of wealth. It is in this spirit of “*contributing to the greater good of the whole, and helping to restore confidence in the higher values of life*” that all documents, information, etc created by The IPCR Initiative are accessible for free, and viewed as resources which ought to be made as accessible as possible to people who can make good use of them.

[Please note: Quotes, statistics, and other copyrighted material used in IPCR documents have been appropriately attributed to their copyrighted sources. Readers may thus be assured that The IPCR Initiative encourages and supports the proper referencing of copyrighted material to their copyrighted sources.]

For a Peaceful and Sustainable Future,

Stefan Pasti, Founder and Outreach Coordinator
The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative

Appendix N

About the Writer and Compiler of This Document

I have been actively involved in peacebuilding and community revitalization work for over 25 years— as a writer (in a variety of genres, including short novel and short story); an editor (newsletters, quotation collections); an advocate of ecologically sustainable communities; a practitioner of voluntary simplicity; and, since 2001, as founder and outreach coordinator for The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative (www.ipcri.net). I have been employed in many different settings—door-to-door canvasser for citizen action groups; field worker on organic farms; activity director, companion, and transportation provider for elders with special needs; etc. The most important influence in my life has been, and continues to be, the teachings of Sri Sathya Sai Baba (1926-2011). In 1997, I completed a 301 page arrangement of selected quotations from “Sathya Sai Speaks” (Vol. 1-11, first U.S. editions) (discourses by Sri Sathya Sai Baba from the years 1953-1982) [accessible from the “1990-1999” section of my “Collected Writings” website (see <http://www.writingsofstefanpasti.net/2-Quotations-from-Sathya-Sai-Speaks-Vol.pdf>)].

I believe there are essential and critical pieces to a comprehensive community response to the challenges of our times that are missing from the approaches now at the forefront; and I believe that—due to the resources I have had access to—I have some of the pieces. I am most willing to contribute those pieces. I can see the potential energy which would be actualized if those pieces were in place, and *I believe it is more “in my best interests” to play out my role in the actualization of that energy than it would be for me to do any other thing.* And because of the nature of this particular potential energy, the very act of trying to actualize it *does actualize it*, (in me, at least)... it energizes me... it connects me with the storehouses of wisdom which have accumulated over the many centuries of human experience, and which have been confirmed again and again by the saints, sages, spiritual leaders, and sincere practitioners of all faiths and moral “world views”; and it strengthens my belief that it is possible for representatives of the highest spiritual ideals (irrespective of the traditions they are derived from) to become better appreciated, more easily recognized—and more numerous—in the everyday circumstances of community life.

I believe that the most advanced societies are the ones which have been successful at integrating spiritual wisdom into the everyday circumstances of community life.

My work building The IPCR Initiative is an effort to contribute to the process of integrating spiritual wisdom into the everyday circumstances of community life.

I gladly and willingly contribute time, energy, and money to make the resources and documents of The IPCR Initiative accessible to those people who might benefit from them.

Appendix O

Additional Evidence of Critical Challenges—updated August 4, 2012

Summary of Articles (and information)

- 1) “Unsettling Infographic Details the Impending Disappearance of World’s Natural Resources” (July 25, 2012)
- 2) “As of August 4, 2012, 18:05 UTC (EST+5), the world population was estimated to be 7,030,665,054.”
- 3) “Coal: The Ignored Juggernaut” (June 29, 2012)
- 4) “An Influential Voice Warns About Runaway Global Emissions” (June 12, 2012)
- 5) “Global Carbon Dioxide Emissions—Facts and Figures” (July 2, 2012)
- 6) “McKibben Must Read: ‘Global Warming Terrifying New Math’” (July 24, 2012)
- 7) “The High Stakes of Rio + 20” (June 11, 2012)
- 8) “Rio + 20 Earth Summit: Campaigners Decry Final Document” (June 22, 2012)
- 9) “Moody’s Downgrades Global Banks” (June 21, 2012)
- 10) “IMF Cuts Global Growth Forecast as Emerging Economies Slow” (July 16, 2012)
- 11) “Weak Global Recovery Depends on Progress in Europe and United States” (July 16, 2012)
- 12) “The Spreading Scourge of Corporate Corruption” (July 12, 2012)
- 13) “Gloomy Forecast for States, Even If Economy Rebounds” (July 17, 2012)
- 14) “China’s Looming Conflict Between Energy and Water” (April 30, 2012)
- 15) “The World is Closer to a Food Crisis Than Most People Realize” (July 24, 2012)
- 16) “After the Gold Rush: A Perspective on Future U.S. Natural Gas Supply and Price” (February 8, 2012)
- 17) “Does the U.S. Really Have More Oil Than Saudi Arabia?” (April 4, 2012)
- 18) “Markets Surge After Draghi Vows to Protect Euro” (July 26, 2012)
- 19) “European Central Bank Saves Greece from Bankruptcy by Securing Emergency Loans-Paper” (August 3, 2012)

1) From July 18, 2012 article “Global Resources Stock Check” at <http://www.bbc.com/future/story/20120618-global-resources-stock-check?selectorSection=science-environment> and July 25, 2012 article “Unsettling Infographic Details the Impending Disappearance of World’s Natural Resources” at <http://www.planetizen.com/node/57717> (Infographic is at first Internet address above)

a) From article Global Resources Stock Check”

“If we fail to correct current consumption trends, then when will our most valuable natural resources run out?”

“More than 100 science academies around the world have called on world leaders to take action on population and consumption at the Rio+20 summit.

“As the world’s population soars, so does its consumption, and as a result we are stretching many of our natural resources to their limits.

“Of course, the assumption is that human ingenuity and market forces will prevent supplies from running out: we could create better or cheaper extraction methods, recycle materials, find alternatives to non-renewable sources, or reduce consumption.

“The hope is that talks at the [Rio+20 Earth summit](#) will help to steer the world economy on a more sustainable path. But the clock is already ticking, and if the unthinkable happens and we fail to correct current trends, then when can we expect our most valuable resources to run out?

“If you want to see the data we used to construct this infographic, you can find it [here](#) [PDF].

b) From article “Unsettling Infographic Details the Impending Disappearance of World’s Natural Resources”

“The BBC has provided an infographic timeline indicating when scientists and researchers predict valuable resources and ecosystems will disappear, urging planners and officials to address the dangers of current population and consumption levels.

“The unsettling infographic timeline was created to answer the daunting question that is plaguing planners, officials, environmentalists and industry: “the clock is already ticking, and if the unthinkable happens and we fail to correct current trends, then when can we expect our most valuable resources to run out?”

“Predictions include an ice-free summer in the Arctic by 2030 and the loss of essential minerals like silver, copper and titanium in under 50 years. Prepared in anticipation of last month's Rio+20 Earth Summit, the lack of conclusive progress at the conference means the clock has begun to tick just a little bit louder.”

2) From www.infoplease.com at www.infoplease.com/ipa/A0883352.html ; and U.S. Bureau of the Census POP Clock (world population) estimate at www.census.gov/cgi-bin/ipc/popclockw)

“In 1804, the world population was 1 billion.
In 1927, the world population was 2 billion (123 years later).
In 1960, the world population was 3 billion (33 years later).
In 1974, the world population was 4 billion (14 years later).
In 1987, the world population was 5 billion (13 years later).
In 1999, the world population was 6 billion (12 years later).”

“As of August 4, 2012, 18:05 UTC (EST+5), the world population was estimated to be 7,030,665,054.”

3) From June 29, 2012 article “Coal: The Ignored Juggernaut” by Gregor McDonald, at <http://energybulletin.net/stories/2012-06-29/coal-ignored-juggernaut>

(in section “Global Coal Picture”)

“...as the Organisation for Economic Co-operation and Development (OECD) has shifted its manufacturing to the developing world over the past few decades, coal has been the cheap energy source that has powered the rise of such manufacturing, especially in Asia. Accordingly, the extraordinary increase in global coal consumption the past decade is partly due to the OECD offshoring its own industrial production. How are most consumer goods made? Using electricity in developing world manufacturing centers, generated by coal. Only a very small portion of the global public is aware that **global coal consumption has advanced by over 50% in the past decade.**”

(from section “Coal Hunger: It’s Not Just China”)

“...2008 saw the crossing of a major milestone in humanity’s march towards industrialism, when, for the first time ever, **more than 50% of the world’s population became urban.** This great migration from the countryside to the cities, which is happening in Africa, Asia, and the Middle East, is a primary driver for coal demand, as millions of new city dwellers take their place in the power grid.”

“For those concerned with climate change, this is, of course, terrible news. However, many of the world’s international organizations, from the International Energy Agency in Paris to various OECD policy-making groups, remain very focused on making sure that developing world nations get access to electricity. There is a strong view and strong agreement among Western policy makers that working to ensure that the world’s poor have access to electricity is the most transformative action to pull humanity out of poverty. Surely this is why the World Bank has been investing heavily in coal-fired power production.”

(from section “Rebounding into Coal”)

“In [Part II: Coal is the Fuel for a World in Decline](#), we explain that a series of ongoing financial crises only accelerates the transition to coal as the obvious energy source in a time of declining wealth. As the world gets poorer, with higher-income OECD economies set to converge with lower-income non-OECD economies, coal remains the cheapest form of globally traded BTUs, adding low-cost power to economies under pressure. Finally, using the just released data from the BP Statistical Review, we update the latest forecasts on the future crossover point, when coal regains its number one position from oil and once again becomes the primary energy source of the world.”

4) From June 12, 2012 article “An Influential Voice Warns About Runaway Global Emissions” by Fen Montaigne at <http://energybulletin.net/stories/2012-06-12/influential-global-voice-warns-runaway-emissions>

“In an interview with Yale Environment 360 senior editor Fen Montaigne, Birol discusses why the emissions situation is getting worse rather than better, why an overreliance on abundant natural gas reserves is a dangerous strategy, and why the global community must take action in the next several years if it hopes to avert temperature increases that could range as high as 6 degrees Celsius (11 degrees Fahrenheit), way past the 2 degrees C increase that climate scientists say is a prudent upper limit.”

(from first Q and A)

Yale Environment 360: You have been a leading voice warning the world community that we are not doing nearly enough to rein in climate change. How would you assess the situation today?

Fatih Birol: The situation today is, I could say, worse than ever. And I have at least three reasons why I believe so. One is I see the political momentum is not there. And climate change is sliding down in the agenda of many governments, including the governments that have been the champions of fighting against climate change and trying to put policies in place.

The second reason why I think the situation is not bright at all is that carbon dioxide emissions are increasing each year; in 2011 we saw a 1-gigaton increase, which brings us very close to a lock-in of our energy system situation, and it will be almost impossible to reverse the trends after 2017 because our energy system — power plants, the industry sector, the transportation sector — will be locked into the capital investments in a way that they will use fossil fuel energies.

And the third one is that at the end of last year at the United Nations COP meeting in Durban all countries in the world for the first time signed a protocol that they are going to take steps to limit the temperature increase to 2 degrees Celsius. This has been celebrated as a major step. It definitely has political significance, but it was not followed by concrete policy steps. When I look at the investment data, no energy investor changed its behavior as a result of the agreement. So the investments — which would have implications for many years to come in terms of building power plants, industrial facilities, and others — will be with us for many years to come.

As a result of these three major reasons, I do not feel very optimistic that we will be able to reach the 2-degree trajectory, but I will be extremely happy if I am wrong.

(from fourth Q and A)

e360: You mentioned natural gas, and I know a second concern of yours is the real boom in unconventional natural gas development, particularly fracking, which is giving us cheap and abundant gas. If this boom continues, what impact will that have on the development of renewable energy resources?

Birol: There is definitely an unconventional gas boom in the U.S. and in Canada, Australia. And I expect this to happen in China very soon. Because the Chinese government has a very strong plan, in their 12th Five-Year Plan, to increase the share of gas in their energy mix. Elsewhere in the world, many countries have about 25 percent share of gas in their energy mix, and in China it is only 4 percent. And coal is 67 percent. So in order to have more diversification, and lessen local pollution issues, China is going to push the use of shale gas. So there will be more and more gas coming. And when gas replaces coal, this is definitely a good thing to reduce CO₂ emissions, as we have seen in the United States. Recently, in the last five years, we have seen a substantial decline in U.S. CO₂ emissions mainly as a result of a.) replacing coal, and b.) new efficiency standards in the transportation sectors for the vehicles. So this was good.

However, there are two issues. One, shale gas extraction should be done in the proper way. We have recently released a report which we called "[Golden Rules for a Golden Age of Gas.](#)" Because doing the extraction process of shale gas, if it is not done properly, there will be methane coming to the

atmosphere. And this is another important, dangerous greenhouse gas, which is a very potent one. So therefore, the suggestion is that the operators, the companies, as suggested by us, should target methane venting and minimize the flaming. This is one issue.

The second one is on renewables. The growth of renewable energy today — wind, solar, biomass — is mainly driven by government support. And I hope that governments will continue to support renewables and in some cases gas can be complementary to renewables. We have seen this in the U.S. In the last six years, electricity generated by natural gas in the U.S. increased around 300 terawatt-hours and at the same time renewables increased by about 100 terawatt-hours, which was a doubling from five years ago. So they can both go together, but governments have to be very careful. They shouldn't be misled with cheap gas prices and reduce their support to renewables.

5) From a July 2, 2012 article titled “Global Carbon Dioxide Emissions—Facts and Figures” by Robert Rapier at <http://www.consumerenergyreport.com/2012/07/02/global-carbon-dioxide-emissions-facts-and-figures/>

(from section “Major Worldwide Growth in CO2 Emissions”)

“...the growth rate in emissions over the past decade is faster than that of previous decades — indicating carbon dioxide emissions have accelerated in recent years..... In fact, 2010's addition of 1.58 billion new tons globally is the largest annual increase on record.”

(in section “Breakdown by Region”)

“...global coal consumption is the largest contributor to rising carbon dioxide emissions. Asia Pacific is the source of 45% of global carbon dioxide emissions, and is on a growth trajectory to reach 50% by the end of the decade. In the U.S., coal consumption is on the decline because new supplies of natural gas are displacing coal in power plants. The change has been so dramatic that since 2006, [the U.S. is the world leader in reducing carbon dioxide emissions.](#)”

“...as far as countries go, the U.S. has by far the highest cumulative emissions since 1965. China is in 2nd place at 133 billion tons, but no other country even breaks the 100 billion ton barrier. Globally, cumulative emissions since 1965 are 1.0 trillion tons, which should have increased (according to the calculation in the footnote) atmospheric carbon dioxide by 73 ppm. And if we cross-check the data from the Mauna Loa Observatory, we see that atmospheric carbon dioxide was about 320 ppm in 1965 and is just above 390 ppm in 2012.”

(from sections “Per Capita Emissions” and “Conclusion”)

“Developing countries seek the same modern conveniences—dishwashers, televisions, computers, and cars—enjoyed by the developed world and which are currently powered mostly by fossil fuels. We can imagine that they can improve their standard of living without increasing their fossil fuel consumption, but what do we have to point to in order to show that it can be done?.... This is why I am extremely skeptical that carbon emissions will be reined in.”

6) From July 24, 2012 article “McKibben Must Read: ‘Global Warming Terrifying New Math’” by Joe Romm at <http://energybulletin.net/stories/2012-07-24/mckibben-must-read-%E2%80%98global-warming%E2%80%99s-terrifying-new-math%E2%80%99>

(three key numbers)

“The First Number: 2° Celsius [3.6° Fahrenheit]: The temperature rise we need to work as hard as possible to limit total warming to if we want to have our best chance of averting multiple catastrophes and amplifying carbon cycle feedbacks

“The Second Number: 565 Gigatons: “Scientists estimate that humans can pour roughly 565 more gigatons of carbon ... into the atmosphere by midcentury and still have some reasonable hope of staying below two degrees....

“The Third Number: 2,795 Gigatons: “This number is the scariest of all – one that, for the first time, meshes the political and scientific dimensions of our dilemma.... The number describes the amount of carbon already contained in the proven coal and oil and gas reserves of the fossil-fuel companies, and the countries (think Venezuela or Kuwait) that act like fossil-fuel companies. In short, it’s the fossil fuel we’re currently planning to burn.”

7) From June 11, 2012 article “The High Stakes of Rio + 20” by Achim Steiner (UN Under-Secretary-General and UN Environment Program Executive Director) at <http://www.project-syndicate.org/commentary/the-high-stakes-of-rio-20>

“Those who have invested in an economic model and production processes based on nineteenth- and twentieth-century models are perhaps understandably nervous about a paradigm shift. But so are some segments of civil society, which are concerned that a transition to a green economy might negatively affect the poor and expose them to greater risks and vulnerabilities.

“Others question the efficacy of market-based approaches to drive sustainability, because markets can never deliver optimal social and environmental outcomes. Only strong institutions, including regulations and laws, can accomplish this.

“We couldn’t agree more. The systemic crises in food, fuel, and finance that came to a head in 2008 – and that are ongoing in many countries – have their roots in an economic paradigm that has not accounted for the value of nature and its array of life-supporting services. As the recently released report [“Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication”](#) shows, the market economy as currently constituted has resulted in the misallocation of capital on an unprecedented scale.

“Indeed, the deep and pervasive market failures – in carbon emissions, biodiversity, and ecosystem services – are accelerating environmental risks and ecological scarcities, and undermining human well-being and social equity. That is why the link to governance and institutions at Rio+20 is just as important as the transition to a green economy: markets are human constructs that require rules and institutions to guide not only their direction, but also their boundaries.

“One concern among critics is that a transition to a green economy will essentially monetize nature, exposing the world’s forests, fresh water, and fisheries to the profit-seeking behavior of bankers and traders, whose shortcomings helped to trigger the financial and economic turmoil of the past four years. But is the question one of monetizing nature, or of *valuing* nature?”

“The fact is that nature is already being bought and sold, mined and marketed at knock-down prices that fail to capture its real worth, especially to the livelihoods of the poor. In large part, this reflects unregulated or missing markets that fail to capture the values that nature provides to us every day – point emphasized in the G-8+5 project on the Economics of Ecosystems and Biodiversity, hosted by the UNEP.

“In a very real sense, the future of the planet is at stake in Rio. Without a real and lasting solution that recalibrates our current economic thinking at a systemic level, the scale and pace of change could soon push the planet past critical thresholds and make sustainable development everywhere an impossible dream.”

8) From June 22, 2012 article “Rio + 20 Earth Summit: Campaigners Decry Final Document” by Jonathan Watts and Liz Ford, at <http://www.guardian.co.uk/environment/2012/jun/23/rio-20-earth-summit-document>

“After more than a year of negotiations and a 10-day mega-conference involving 45,000 people, the wide-ranging outcome document – The Future We Want – was lambasted by environmentalists and anti-poverty campaigners for lacking the detail and ambition needed to address the challenges posed by a deteriorating environment, worsening inequality and a global population expected to rise from 7bn to 9bn by 2050.”

“...civil society groups and scientists were scathing about the outcome. Greenpeace International Executive Director Kumi Naidoo called the summit a failure of epic proportions. ‘We didn’t get the Future We Want in Rio, because we do not have the leaders we need. The leaders of the most powerful countries supported business as usual, shamefully putting private profit before people and the planet.’”

“Rio+20 was intended as a follow up on the 1992 Earth Summit, which put in place landmark conventions on climate change and biodiversity, as well as commitments on poverty eradication and social justice. Since then, however, global emissions have risen by 48%, 300m hectares of forest have been cleared and the population has increased by 1.6bn people. Despite a reduction in poverty, one in six people are malnourished.”

“The main outcome of the conference is a plan to set sustainable development goals (SDGs), which Brazil described as the “crown jewels” of the conference. But the gems have not yet been chosen, let alone cut, polished and set. Negotiators at Rio were unable to agree on themes, which will now be left to an “open working group” of 30 nations to decide upon by September 2013. Two years later, they will be blended with Millennium Development Goals.”

9) From June 21, 2012 article titled "Moody's Downgrades Global Banks" by John Gongloff, at http://www.huffingtonpost.com/2012/06/21/moodys-downgrades-global-banks_n_1616554.html

"Moody's just took a hatchet to the credit ratings of the biggest global banks."

"The rating agency on Thursday cut its rating for banks in the U.S., U.K. and Europe -- 15 in all, including all of the 'too big to fail' banks in the U.S."

"In a [press release announcing the downgrades](#), Moody's said, 'All of the banks affected by today's actions have significant exposure to the volatility and risk of outsized losses inherent to capital markets activities. In the past, these risks have led many institutions to fail or to require outside support, including several firms affected by today's rating actions.'"

"A series of dismal economic reports from China, Europe and the U.S., including uncomfortably high new claims for unemployment benefits, weighed on markets before the U.S. trading day even began. Then Goldman Sachs downgraded its forecast for the S&P 500 stock index, which seemed to fuel an even bigger selloff. And news out of Europe continued to disappoint, with a report saying Spanish banks might need \$78 billion in capital to survive, and Greece presenting a wish list for tense renegotiations with the rest of Europe for its bailout terms. The bitter cherry on top of this gloomy sundae was that the Fed on Wednesday declined to do much heavy lifting to help the economy or stock market. 'This is just one of many worries right now,' James Bianco, head of the research firm Bianco Research in Chicago, told CNBC about the bank downgrades."

"The banks have been through the downgrade rigamarole before. In November, Standard & Poor's whacked much of the financial sector with the downgrade stick, without causing the world to end."

10) From July 16, 2012 article "IMF Cuts Global Growth Forecast as Emerging Economies Slow" by Leslie Wroughton at <http://www.reuters.com/article/2012/07/16/us-imf-global-idUSBRE86F0J120120716>

"The International Monetary Fund on Monday cut its forecast for global economic growth and warned that the outlook could dim further if policymakers in the [euro zone](#) do not act with enough force and speed to quell their region's debt crisis."

"In a mid-year health check of the world economy, the IMF said emerging market nations, long a global bright spot, were being dragged down by the economic turmoil in Europe. It said a drop in exports in these countries would combine with earlier policies meant to prevent overheating and slow growth more sharply than hoped."

"The IMF shaved its 2013 forecast for global growth to 3.9 percent from the 4.1 percent it projected in April, trimming projections for most advanced and emerging economies. It left its 2012 forecast unchanged at 3.5 percent."

"Downside risks to this weaker global outlook continue to loom large,' the IMF said. 'The most immediate risk is still that delayed or insufficient policy action will further escalate the euro area crisis.'"

“The IMF, which trimmed its U.S. forecasts slightly, said concerns were rising over a political battle brewing in Washington over how to avoid painful automatic spending cuts and tax increases at the start of next year.”

“The United States faces a ‘fiscal cliff’ with the scheduled expiration of Bush-era tax cuts and \$1.2 trillion in automatic spending reductions - enough budget tightening to knock the still-weak U.S. economy back into recession.”

“If the United States failed to deal with the ‘fiscal cliff’ it could potentially be an ‘enormous shock’ to the U.S. and other advanced economies, IMF Chief Economist Olivier Blanchard told a news conference. Washington is also expected to run into the statutory \$16.4 trillion cap on its debt before the end of the year, raising the prospect of a default absent congressional action to raise it.

“While financial markets believe Congress and the White House will find a way to avoid a fiscal train wreck, the IMF warned of the ‘potential for a significant adverse market reaction’ if that consensus view began to falter.”

11) From July 16, 2012 article “Weak Global Recovery Depends on Progress in Europe and United States” at <http://www.imf.org/external/pubs/ft/survey/so/2012/NEW071612A.htm>

“An already sluggish global recovery shows signs of further weakness, mainly because of continuing financial problems in Europe and slower-than-expected growth in emerging economies, the IMF said in a regular update to its World Economic Outlook (WEO).”

“Two other IMF reports were also released July 16. The update to the [Global Financial Stability Report](#) (GFSR) said that risks to financial stability increased in the second quarter of 2012 because of the continued slow global recovery and fears about the quality of bank assets in Europe.”

“‘More worrisome than these revisions to the baseline forecast is the increase in downside risks,’ said Olivier Blanchard, the IMF chief economist and director of the IMF’s Research Department, which prepares the WEO.”

“The IMF emphasized that the relatively minor setback to the global outlook under its baseline projections is based on three important assumptions:

- that there will be enough policy action for financial conditions in the so-called euro area periphery, which includes Greece and Spain, to ease gradually through 2013;
- that U.S. fiscal policy does not tighten sharply in 2013; and
- that steps by some major emerging markets to stimulate growth gain traction.”

“The WEO update also cited the possibility that growth in the United States would stall because of excessive fiscal tightening caused by political gridlock. ‘In the extreme, if policymakers fail to reach consensus on extending some temporary tax cuts and reversing deep automatic spending cuts,’ the U.S. economy could face a steep decline of more than 4 percent of GDP in its fiscal deficit in 2013. That so-called fiscal cliff would cause a severe decline in U.S. growth, with “significant spillovers to the rest of the world.” Moreover, if the United States does not act promptly to raise its federal debt ceiling, there will be increased risk of financial market disruption and loss in consumer and business confidence.”

“Growth has slowed in a number of major emerging economies, especially Brazil, China, and India. This was due both to a weaker external environment and a sharp deceleration in domestic demand in response to capacity constraints and policy tightening.”

12) From July 10, 2012 article titled “The Spreading Scourge of Corporate Corruption” by Eduardo Porter, at http://www.nytimes.com/2012/07/11/business/economy/the-spreading-scourge-of-corporate-corruption.html?_r=1&src=me&ref=general

“Perhaps the most surprising aspect of the [Libor](#) scandal is how familiar it seems. Sure, for some of the world’s leading banks to try to manipulate one of the most important interest rates in contemporary finance is clearly egregious. But is that worse than packaging billions of dollars worth of dubious mortgages into a bond and having it stamped with a Triple-A rating to sell to some dupe down the road while betting against it? Or how about forging documents on an industrial scale to foreclose fraudulently on countless homeowners?”

“The misconduct of the financial industry no longer surprises most Americans. Only about one in five has much trust in banks, according to Gallup polls, about half the level in 2007. And it’s not just banks that are frowned upon. Trust in big business overall is declining. Sixty-two percent of Americans believe corruption is widespread across corporate America. According to Transparency International, an anticorruption watchdog, nearly three in four Americans believe that corruption has increased over the last three years.

“We should be alarmed that corporate wrongdoing has come to be seen as such a routine occurrence. Capitalism cannot function without trust. As the Nobel laureate Kenneth Arrow observed, ‘Virtually every commercial transaction has within itself an element of trust.’

“The parade of financiers accused of misdeeds, booted from the executive suite and even occasionally jailed, is undermining this essential element. Have corporations lost whatever ethical compass they once had? Or does it just look that way because we are paying more attention than we used to?”

“This is hard to answer because fraud and corruption are impossible to measure precisely. Perpetrators understandably do their best to hide the dirty deeds from public view. And public perceptions of fraud and corruption are often colored by people’s sense of dissatisfaction with their lives.

“Last year, the economists Justin Wolfers and Betsey Stevenson from the University of Pennsylvania published a study suggesting that trust in government and business falls when unemployment rises. ‘Much of the recent decline in confidence — particularly in the financial sector — may simply be a standard response to a cyclical downturn,’ they wrote.

“And waves of mistrust can spread broadly. After years of dismal employment prospects, Americans are losing trust in a broad range of institutions, including Congress, the Supreme Court, the presidency, public schools, labor unions and the church.

“Corporate wrongdoing may be cyclical, too. Fraud is probably more lucrative, as well as easier to hide, amid the general prosperity of economic booms. And the temptation to bend the rules is probably

highest toward the end of an economic upswing, when executives must be the most creative to keep the stream of profits rolling in.

“Company executives are paid to maximize profits, not to behave ethically. Evidence suggests that they behave as corruptly as they can, within whatever constraints are imposed by law and reputation. In 1977, the United States Congress passed the Foreign Corrupt Practices Act, to stop the rampant practice of bribing foreign officials. Business by American multinationals in the most corrupt countries dropped. But they didn’t stop bribing. And American companies have been lobbying against the law ever since.

“Extrapolating from frauds that were uncovered during and after the dot-com bubble, the economists Luigi Zingales and Adair Morse of the University of Chicago and Alexander Dyck of the University of Toronto estimated conservatively that in any given year a fraud was being committed by 11 to 13 percent of the large companies in the country.

“Yet it may be wrong to shrug off the latest boomlet of corporate crimes and misdemeanors as a mere reflection of the business cycle. Americans appear to believe that corruption has become more prevalent over the years. And some indicators suggest they may be right.

“In 2001, Transparency International’s Corruption Perceptions Index ranked the United States as the 16th least-corrupt country. By last year, the nation had fallen to 24th place. The World Bank also reports a weakening of corruption controls in the United States since the late 1990s, so that it is falling behind most other developed nations.

“The most pointed evidence that breaking the rules has become standard behavior in the corporate world is how routine the wrongdoing seems to its participants. ‘Dude. I owe you big time!... I’m opening a bottle of Bollinger,’ e-mailed one Barclays trader to a colleague for fiddling with the rate and improving the apparent profit of his derivatives book.

“It’s difficult to know why corruption may be spreading. But there are a few plausible explanations. From globalization to rising income inequality to the growing role of corporate money in political campaigns, political and economic dynamics may have increased both the scope of corporate wrongdoing and the incentives for business executives to bend, or break, the rules.

“Just consider the scale of recent wrongdoing. Libor is one of the most important rates in the economy. It determines the return on the savings of millions of people, as well as the rate they pay on their mortgage and car loans. It is the benchmark for hundreds of trillions of dollars worth of financial contracts.

“Bigger markets allow bigger frauds. Bigger companies, with more complex balance sheets, have more places to hide them. And banks, when they get big enough that no government will let them fail, have the biggest incentive of all. A 20-year-old study by the economists Paul Romer and George Akerlof pointed out that the most lucrative strategy for executives at too-big-to-fail banks would be to loot them to pay themselves vast rewards — knowing full well that the government would save them from bankruptcy.

“Globalization can encourage corruption, as companies compete tooth and claw for new markets. And the furious rush of corporate cash into the political process — which differs from bribery in that

companies pay politicians to change laws rather than bureaucrats to ignore them — is unlikely to foment ethical behavior.

“The inexorable rise of income inequality is also likely to encourage fraud, fostering resentment and undermining trust in capitalism’s institutions and rules. Economic research shows that participants in contests in which the winner takes all are much more likely to cheat. And the United States is becoming a winner-takes-all economy.

“It’s hard to fathom the broader social implications of corporate wrongdoing. But its most long-lasting impact may be on Americans’ trust in the institutions that underpin the nation’s liberal market democracy.”

13) From July 17, 2012 article titled “Gloomy Forecast for States, Even If Economy Rebounds” by Mary Williams Walsh and Michael Cooper, at http://www.nytimes.com/2012/07/18/us/in-report-on-states-finance-a-grim-long-term-forecast.html?_r=2

“The fiscal crisis for states will persist long after the economy rebounds as they confront rising health care costs, underfunded pensions, ignored infrastructure needs, eroding revenues and expected federal budget cuts, according to a report issued here Tuesday by a task force of respected budget experts.

“The problems facing states are often masked by lax budget laws and opaque accounting practices, according to the report, an independent analysis of six large states released by the [State Budget Crisis Task Force](#).

“It said that the financial collapse of 2008, which caused the most serious fiscal crisis for states since the Great Depression, exposed deep-set financial challenges that will worsen if no action is taken. ‘The ability of the states to meet their obligations to public employees, to creditors and most critically to the education and well-being of their citizens is threatened,’ warned the chairmen of the task force, Richard Ravitch, a former lieutenant governor of New York, and Paul A. Volcker, a former chairman of the Federal Reserve.

“The report added a strong dose of fiscal pessimism just as many states have seen their immediate budget pressures begin to ease. And it called into question how states will restore the services they have cut during the downturn, saying that the loss of jobs in prisons, hospitals, courts and agencies have been more severe than in any of the past nine recessions.

“‘This is a fundamental shift in the way governments have responded to recessions and appears to signal a willingness to ‘unbuild’ state government in a way that has not been done before,’ it said, noting that court systems had cut their hours in many states, delaying actions including divorce settlements and criminal trials.

“The report arrived at a delicate political moment. States are deciding whether to expand their Medicaid programs to cover the uninsured poor as part of the new health care law, with the federal government pledging to pay the full cost at first. Public-sector unions feel besieged, as states and cities from Wisconsin to San Jose, Calif., have moved to save money on pensions. And Washington’s focus on deficit reduction — with big budget cuts scheduled for after the fall election — has made cuts to state aid inevitable, many governors believe.

“If federal grants to the states were cut by just 10 percent, the report said, the loss to state and local government budgets would be more than \$60 billion a year — nearly twice the size of the combined tax increases that states enacted during the fiscal crisis from 2008 to 2011.”

14) From April 30, 2012 article titled “China’s Looming Conflict Between Energy and Water” by Christina Larson, at <http://energybulletin.net/stories/2012-05-02/china%E2%80%99s-looming-conflict-between-energy-and-water>

“...Between 2000 and 2010, China’s total coal consumption increased threefold, according to estimates from the U.S. Energy Administration. China’s coal-dependency isn’t going away anytime soon — quite the reverse.

“Yet, in expanding coal-industry bases in west China, one crucial challenge has so far received far less attention than it deserves: Coal-based industries are massively water-intensive (in fact, coal mining, coal-based power generation, and petrochemical processing together account for more than one-fifth of China’s total water usage). And [much of western China is already short on water](#) — think Gobi desert and camels, as opposed to Pearl River Delta rice paddies. ‘The west of China is an environmentally fragile area,’ says Professor Wang Xiujun, who conducts research on climate and precipitation jointly for the Xinjiang Institute of Ecology and Geography and the University of Maryland. ‘There’s not much water to spare.’”

“When new industry comes to town, water is secured by tapping local lakes and rivers, pumping groundwater, and constructing reservoirs to capture rainwater, which diverts its normal flow and reabsorption into the soil. All three have unintended environmental consequences, says Sun Qingwei, climate and energy campaigner for Greenpeace China and a former government scientist based in western Gansu province.

“‘There is not enough water to support a lot of industry and coal operations in western China,’ Sun says. ‘If water resources are exploited by the coal industry, that will lead to land degradation and desertification. And the livelihood of the local communities is damaged.’ Greenpeace China, which takes a research-based approach to its work (in contrast to the organization’s penchant for protest in other countries), is currently working on a report to map the availability of water in west China against the anticipated usage of new coal industry.

“A glimpse of what the future may bring can be seen in Inner Mongolia — the region’s vast grasslands are gradually becoming a dust bowl. Over the last decade, as new coal mines, petrochemical plants, and coal-fired power stations have been built, local rivers have been dammed and multiple wells dug. As a result, the water table has sunk, and grasslands such as Xilingol have turned unproductive. The Wulagai Wetland has all but dried up.

“‘The coal industry has changed the environment because it uses the underground water,’ says Da Lintai, a researcher at Inner Mongolian University. A changing climate, he adds, has likely also contributed to desertification in Inner Mongolia. The result is that ‘it is more difficult now for the herdsmen to find areas with sufficient water sources. And the lack of water also influences the growth of the grass to feed their animals.’”

15) From July 24, 2012 article titled “The World is Closer to a Food Crisis Than Most People Realize” by Lester R. Brown, at <http://www.guardian.co.uk/environment/2012/jul/24/world-food-crisis-closer?intcmp=122>

“In the early spring this year, US farmers were on their way to planting some 96m acres in corn, the most in 75 years. A warm early spring got the crop off to a great start. Analysts were predicting the largest corn harvest on record.

“The United States is the leading producer and exporter of corn, the world's feedgrain. At home, corn accounts for four-fifths of the US grain harvest. Internationally, the US corn crop exceeds China's rice and wheat harvests combined. Among the big three grains – corn, wheat, and rice – corn is now the leader, with production well above that of wheat and nearly double that of rice.

“The corn plant is as sensitive as it is productive. Thirsty and fast-growing, it is vulnerable to both extreme heat and drought. At elevated temperatures, the corn plant, which is normally so productive, goes into thermal shock.

“As spring turned into summer, the thermometer began to rise across the corn belt. In St Louis, Missouri, in the southern corn belt, the temperature in late June and early July climbed to 100F or higher 10 days in a row. For the past several weeks, the corn belt has been blanketed with dehydrating heat.

“Weekly drought maps published by the University of Nebraska show the drought-stricken area spreading across more and more of the country until, by mid-July, it engulfed virtually the entire corn belt. Soil moisture readings in the corn belt are now among the lowest ever recorded.

“While temperature, rainfall, and drought serve as indirect indicators of crop growing conditions, each week the US Department of Agriculture releases a report on the actual state of the corn crop. This year the early reports were promising. On 21 May, 77% of the US corn crop was rated as good to excellent. The following week the share of the crop in this category dropped to 72%. Over the next eight weeks, it dropped to 26%, one of the lowest ratings on record. The other 74% is rated very poor to fair. And the crop is still deteriorating.

“Over a span of weeks, we have seen how the more extreme weather events that come with climate change can affect food security. Since the beginning of June, corn prices have increased by nearly one half, reaching an all-time high on 19 July.

“Although the world was hoping for a good US harvest to replenish dangerously low grain stocks, this is no longer on the cards. World carryover stocks of grain will fall further at the end of this crop year, making the food situation even more precarious. Food prices, already elevated, will follow the price of corn upward, quite possibly to record highs.

“Not only is the current food situation deteriorating, but so is the global food system itself. We saw early signs of the unraveling in 2008 following an abrupt doubling of world grain prices. As world food prices climbed, exporting countries began restricting grain exports to keep their domestic food prices down. In response, governments of importing countries panicked. Some of them turned to buying or leasing land in other countries on which to produce food for themselves.

“Welcome to the new geopolitics of food scarcity.”

16) From February 8, 2012 article title "After the Gold Rush: A Perspective on Future U.S. Natural Gas Supply and Price" by Arthur E. Berman, at <http://www.theoil drum.com/node/8914#more>

(from section "U.S. Shale Plays")

"U.S. shale plays share many characteristics with the gold rushes of the nineteenth and early twentieth centuries. Both phenomena result from extreme promotion. Anyone can join. Every participant believes that they will get rich. Great amounts of capital are destroyed as entrants try to get a position. The bonanza is exhausted sooner than most expected (Andreoli, 2011) and few profit in the end except for the vendors that serve participants.

"For several years, we have been asked to believe that less is more, that more oil and gas can be produced from shale than was produced from better reservoirs over the past century. We have been told more recently that the U.S. has enough natural gas to last for 100 years. We have been presented with an improbable business model that has no barriers to entry except access to capital, that provides a source of cheap and abundant gas, and that somehow also allows for great profit. Despite three decades of experience with tight sandstone and coal-bed methane production that yielded low-margin returns and less supply than originally advertised, we are expected to believe that poorer-quality shale reservoirs will somehow provide superior returns and make the U.S. energy independent. Shale gas advocates point to the large volumes of produced gas and the participation of major oil companies in the plays as indications of success. But advocates rarely address details about profitability and they never mention failed wells.

"Shale gas plays are an important and permanent part of our energy future. We need the gas because there are fewer remaining plays in the U.S. that have the potential to meet demand. A careful review of the facts, however, casts doubt on the extent to which shale plays can meet supply expectations except at much higher prices."

(from section "Conclusions")

"A secular shift has occurred in the U.S. domestic gas supply by drilling mostly shale formations, formerly considered source rocks too costly to develop. The tremendous number of wells drilled in the last several years has contributed to an over-supply of gas. The shale revolution did not begin because producing oil and gas from shale was a good idea but because more attractive opportunities were largely exhausted. Initial production rates from shale are high but expensive drilling and completion costs make economics challenging. The gold rush mentality taken by companies to enter shale plays has added expensive leases and new pipelines to those costs, further complicating shale gas economics. In the decades before shale plays, the exploration and production emphasis was on discipline. Science was used to identify the most prospective areas in order to limit the amount of acreage to be acquired and its cost. Shale plays have produced a land grab business model in which hundreds of thousands of acres are acquired by each company. Unprecedented lease costs have become the norm often based on limited information and science.

"Operators have indulged in over-drilling these plays for many reasons but adding reserves, holding leases and company growth are among the main factors particularly with the low cost of capital. The inevitable result has been the collapse of prices as supply exceeded demand. Most analysts forecast that the future will be much like the present, and that natural gas will be abundant and cheap for decades to

come. There are, however, strong and consistent indicators that natural gas supply may be less certain than most observers believe and require a higher price to be developed economically. Natural gas demand is growing as fuel switching for electric power generation continues, and will be increased by environmental regulation in the coming years. The U.S. will shift more of its future energy needs to natural gas in many sectors of the economy. The best justification, in fact, for the land grab and over-drilling spree is expectation of higher prices. Those companies that grabbed the land and held it by production will profit greatly once the true supply and cost of shale gas is recognized.

“The financial survival of all companies in this position is not, however, certain. Price matters, and there is finally some response from shale gas producers with recent announcements to curtail drilling. While price was cited as the main reason for reduced drilling, it is likely that some companies now have financial constraints. The shale gas phenomenon has been funded mostly by debt and equity offerings. At this point, further debt and share dilution are less feasible for many companies. Joint ventures have provided a way for some to prolong spending but that now seems like a less likely source of funding. Capital availability in the near term will likely be tighter than it has until now. Acquisition and consolidation may become more attractive to companies with cash as producers become more extended.

“Some of the shale gas plays may be at or near peak production at least at the current price of gas and technology. All major producing areas except Louisiana are in decline. Some doubt the accuracy of public data compared with EIA data, but it seems unlikely that the trends it shows are erroneous. In any case, the data the EIA makes available does not have sufficient resolution to evaluate individual plays or state-level trends.

“Intermediate-term shale well performance is poorer than assumed previously . Continuous treadmill drilling masks this issue so play decline rates are not recognized. High decline rates are, however, a salient issue meaning that and most of a shale gas well's reserve is produced in the first few years. Well life appears to be shorter than initial expectations. This means that an increasing number of wells must be drilled in order to maintain supply. Now, it appears that fewer wells may be drilled until price recovers to commercial levels. The argument for improved efficiency that cites increasing production with lower rig count is suspect. It is mostly because of the large backlog of previously drilled wells that are just now being connected to sales. This spare capacity provides a boost to supply during a period of falling gas-directed rig count.

“The gold rush is over at least for now for the less commercial shale plays. The money and activity have moved to more oil-prone shale plays such as the Eagle Ford and Bakken or to higher potential gas plays such as the Marcellus. Improbable stories that great profits can be made at increasingly lower prices have intersected with reality. A painful adjustment is underway in the natural gas exploration and production industry. Fewer jobs will be created and projects may develop more slowly. This development may expose the notion of long-term natural gas abundance and cheap gas as an illusion. The good news is that this adjustment will lead to higher gas prices in a future less distant than most believe. Higher prices coupled with greater discipline in drilling will allow operators to earn a suitable return and offer the best opportunity for supply to grow to meet future needs.”

17) From April 4, 2012 article titled "Does the U.S. Really Have More Oil Than Saudi Arabia?" by Robert Rapier, at <http://www.theoil Drum.com/node/9085>

(entire article)

The Difference Between Oil Shale and Oil-Bearing Shale

"People are often confused about the overall extent of U.S. oil reserves. Some claim that the U.S. has hundreds of billions or even trillions of barrels of oil waiting to be produced if bureaucrats will simply stop blocking development. In fact, in a recent debate between Republican candidates contending for Gabrielle Giffords' recently vacated House seat, one candidate declared 'We have more oil in this country than in Saudi Arabia.' So, I thought it might be a good idea to elaborate a bit on U.S. oil resources.

"Oil production has been increasing in the U.S. for the past few years, primarily driven by expanding production from the Bakken Shale Formation in North Dakota and the Eagle Ford Shale in Texas. The oil that is being produced from these shale formations is sometimes improperly referred to as shale oil. But when some people speak of hundreds of billions or trillions of barrels of U.S. oil, they are most likely talking about the oil shale in the Green River Formation in Colorado, Utah, and Wyoming. Since the shale in North Dakota and Texas is producing oil, some have assumed that the Green River Formation and its roughly 2 trillion barrels of oil resources will be developed next because they think it is a similar type of resource. But it is not.

"Although the oil in the Bakken and Eagle Ford is being extracted from shale formations, the term shale oil has been used for over 100 years to describe a very different resource. This has led some to confusion over the differences between current production in North Dakota and potential production in Colorado. The oil in the Bakken and Eagle Ford formations actually exists as oil, but the shale does not allow the oil to flow very well. This oil is properly called "tight oil", and advances in hydraulic fracturing (fracking) technology have allowed some of this oil to be economically produced. (For more details, I discuss resources, reserves, fracking, shale gas, and oil shale in some detail in my new book [Power Plays: Energy Options in the Age of Peak Oil](#)).

"The estimated amount of oil in place (the resource) varies widely, with some suggesting that there could be 400 billion barrels of oil in the Bakken. Because of advances in fracking technology, some of the resource has now been classified as reserves (the amount that can be technically and economically produced). However, the reserve is a very low fraction of the resource at 2 to 4 billion barrels (although some industry estimates put the recoverable amount as high as 20 billion barrels or so). For reference, the U.S. consumes a billion barrels of oil in about 52 days, and the world consumes a billion barrels in about 11 days.

"Like the Bakken, the Eagle Ford formation in Texas consists of oil (and natural gas) in tight formations that is being accessed via fracking. The amount of technically recoverable oil in the Eagle Ford is estimated by the U.S. Department of Energy to be 3.35 billion barrels of oil.

"Without a doubt, these two formations are a major factor in the current resurgence of U.S. oil production. But the Green River formation is the source of talk of those enormous oil resources -- larger than those of Saudi Arabia -- and it is a very different prospect than the tight oil being produced in North Dakota and Texas. The oil shale in the Green River looks like rock. Unlike the hydrocarbons in the tight

oil formations, the oil shale (kerogen) consists of very heavy hydrocarbons that are solid. In that way, oil shale more resembles coal than oil. Oil shale is essentially oil that Mother Nature did not finish cooking, and thus to convert it into oil, heat has to be added. The energy requirements -- plus the fact that oil shale production requires a lot of water in a very dry environment -- have kept oil shale commercialization out of reach for over 100 years.

“Thus, while the U.S. might indeed have greater *oil resources* than Saudi Arabia, U.S. *oil reserves* (per the BP Statistical Review of World Energy) are only about 1/10th those of Saudi Arabia. The distinction is important.

Summarizing the Definitions

“To summarize, let's review the definitions for the important terms discussed here:

Oil resource -- the total amount of oil in place, most of which typically can't be recovered

Oil reserve -- the amount of oil that can be recovered economically with existing technology

Oil shale -- sedimentary rock that contains solid hydrocarbons called kerogen (e.g., Green River Formation)

Shale oil -- the oil that can be obtained by cooking kerogen

Tight oil -- liquid hydrocarbons that are obtained by hydraulic fracturing of shale formations (e.g., Bakken Formation and Eagle Ford Formation)

Conclusion: Resources are not Reserves, and Tight Oil isn't Shale Oil

“It is pretty clear that at current oil prices, developments in the tight oil formations will continue. It is not at all clear that even at \$100 oil the shale in the Green River formation will be commercialized to produce oil, although a number of companies are working on it and will continue to do so. Oil shale is commercially produced in some countries like Estonia, but it is primarily just burned for power. In order to commercially convert the oil shale into oil, a more energy efficient method of producing it must be found (or, one would have to have extremely cheap energy and abundant water supplies to drive the process). I have heard from multiple industry sources that the energy return for producing oil from oil shale is around 4 to 1 (lower than for oil sands production), and that is before refining the oil to finished products. At this sort of energy return, oil sands will continue to be a more economical heavy oil option.

“Thus, my prediction is that despite having an oil shale resource that may indeed be far greater than the oil resources of Saudi Arabia (I don't think I have seen an estimate of Saudi's total oil resources), the reserve will continue to be close to zero for the foreseeable future because there are still many technical hurdles to overcome to realize a scalable, commercially viable process.

“Finally, I would say that if a commercially viable process for shale oil production from the Green River formation is developed, the environmental blowback will be enormous. The production of shale oil is more energy intensive (i.e., has higher carbon emissions) than for the oil sands, it has a high water requirement in a dry climate, and it is potentially a huge new source of carbon dioxide emissions. The environmental protests that would arise in response to a growing commercial shale oil operation would make the Keystone XL pipeline protests pale in comparison.”

18) From July 26, 2012 article "Markets Surge After Draghi Vows to Protect Euro", at <http://www.spiegel.de/international/europe/markets-surge-after-ecb-president-mario-draghi-vows-to-protect-euro-a-846629.html>

(entire article)

"It was the signal investors were waiting for. The European Central Bank 'is ready to do whatever it takes to preserve the euro,' its president, Mario Draghi said on Thursday. Markets leapt because the statement was a strong signal that the ECB will resume its program to buy the bonds of struggling euro nations.

"All it took was three sentences. European Central Bank President Mario Draghi triggered a rally in world financial markets on Thursday by saying the ECB will do whatever is needed to protect the euro. The comment was interpreted as a clear sign that the ECB will relaunch its mothballed program to buy bonds of struggling countries such as Spain and Italy.

"'Within our mandate, the ECB is ready to do whatever it takes to preserve the euro. And believe me, it will be enough,' Draghi told an investment conference in London to mark the beginning of the Olympics. 'To the extent that the size of the sovereign premia (borrowing costs) hamper the functioning of the monetary policy transmission channels, they come within our mandate.'"

"The comments, Draghi's strongest to date in the crisis, helped calm nerves after a difficult week in which Spanish 10-year bond yields hit record highs -- well above the 7 percent level seen as unsustainable -- and the euro fell to its lowest level against the dollar in more than two years.

"Italy's bond yields have also risen steadily and there has been mounting speculation that Greece won't be able to remain in the euro zone, with fresh signs that the country isn't sticking to reform pledges it made in return for its second bailout package, worth €130 billion (\$159 billion).

Markets Surge

"The euro leapt more than two cents to as high as \$1.2330 after Draghi made his remarks at midday. On Thursday afternoon the European stock index Stoxx 50 was trading up more than 3 percent from Wednesday's close. Germany's blue-chip index DAX stock was up more than two percentage points and the Dow Jones opened up 1.7 percent.

"'This is a hopeful sign that the ECB could end its hesitation and put a stop to the market panic,' said Christian Schulz, an economist at Berenberg Bank. If the ECB bought bonds, it could give Spain and Italy more time to implement their planned reforms, he said.

"French Finance Minister Pierre Moscovici welcomed Draghi's statement as 'very positive.'"

"Germany has been skeptical about the ECB's bond purchases in the past because it could stoke inflation and lessen the pressure on countries to reform. The ECB's sovereign bond-buying program has been on hold for months. Led by Bundesbank President Jens Weidmann, a core of ECB policymakers feel the bond buys amount to monetary financing of governments, which is beyond the bank's mandate.

“On Wednesday, German newspaper *Süddeutsche Zeitung* cited EU sources as saying the temporary bailout fund EFSF could step in to buy Spanish government bonds.”

19) From August 3, 2012 article titled “European Central Bank Saves Greece from Bankruptcy by Securing Emergency Loans-Paper” (Reporting by Michelle Martin; Editing by Sandra Maler) at <http://www.reuters.com/article/2012/08/04/us-ecb-greece-idUSBRE87302P20120804>

(entire article)

“The European Central Bank (ECB) has saved Greece from bankruptcy for the time being by securing it interim financing in the form of additional emergency loans from the Bank of Greece, German newspaper *Die Welt* said on Saturday.

“The ECB's Governing Council agreed at its meeting on Thursday to increase the upper limit for the amount of Greek short-term loans the Bank of Greece can accept in exchange for emergency loans, the newspaper said in an advance copy of the article due to appear in its Saturday edition.

“Until now the Bank of Greece could only accept T-Bills up to a limit of 3 billion euros (\$3.70 billion) as collateral for emergency liquidity assistance (ELA) but it has applied to have this limit increased to 7 billion euros, the daily said, citing central bank sources.

“The ECB Governing Council gave this wish the green light, the paper said.

“The move should enable the Greek government to access up to an extra 4 billion euros of funds, the paper said, adding that this should ensure the country keeps its head above water until the "troika" of the European Union, the European Central Bank and the International Monetary Fund decide on the disbursement of the next tranche of money from its aid program in September.

“The ECB declined to comment, the paper said.”

Appendix P

[recent article by this writer (June, 2012)]

Community Visioning Initiatives or General Elections?

Which citizen participation/problem solving process has the better cost/benefit ratio for problem solving on a scale most of us have never known before?

Introduction

We live in a time of unprecedented opportunities, in many ways created by the expansion of the Internet, and by electronic devices, communication satellites, etc which make it possible for information, knowledge and wisdom to be passed quickly to a broad range of international participants. As a result of these unprecedented opportunities, it may be that a majority of people on Earth are now familiar with the basic concept of democracy: representatives who are elected by receiving a majority of votes from an election process in which all citizens are welcome to participate.

We also live in a time of unprecedented challenges (see “A List of Ten Critical Challenges” at the end of this post, for one assessment of the challenges ahead). It may be no exaggeration to say we are now living at a critical point in the evolution of life on planet Earth. We need problem solving processes which are collaborative efforts—which make best use of the knowledge and skills each one of us has, and which can create, develop, and accelerate a full array of solution-oriented activity.

The purpose of this post is to encourage creative thinking about the way we go about solving problems in our communities, and in our different cultural settings. This post will encourage such creative thinking by providing readers with a model for citizen participation and problem solving which is different from the use of time, energy, and money to elect representatives for government offices, and the use of time, energy, and money to influence the policies those representatives are responsible for creating.

In contrast to the “General Election” model, the model which will be featured in this post focuses on the responsibilities of citizens, responsibilities which can be briefly described by the following observations--

All of us have important responsibilities associated with resolving a significant number of very serious challenges ahead.

The investments of time, energy, and money that each of us make in our everyday circumstances are what creates the larger economy.

The citizen participation/problem solving model featured in this post will be referred to as Community Visioning Initiatives.

Since most readers of this post will already have clear impressions in their minds about the citizen participation potential and problem solving potential of General Elections, most of this post will be an effort to familiarize readers with the potential of Community Visioning Initiatives—and key processes

which can support the effectiveness of Community Visioning Initiatives. To describe the potential of Community Visioning Initiatives, this writer will reference ideas and resources he has created as part of building The Interfaith Peacebuilding and Community Revitalization (IPCR) Initiative. This writer does not reference these ideas and resources to promote The IPCR Initiative; he references them because they provide the most comprehensive description of the potential of Community Visioning Initiatives that he knows of. By familiarizing readers with the potential of Community Visioning Initiatives, this writer hopes readers can make an informed response to the question posed in the subtitle of this post. The second-to-last section of this post poses that question in more detail.

Making Best Use of Community Visioning Initiatives—the IPCR Initiative

The IPCR Initiative recognizes that there are many critical challenges ahead [“A List of Ten Critical Challenges”, at the end of this post, is a summary of the “IPCR Critical Challenges Assessment 2011-2012” project (webpage at <http://www.ipcri.net/Critical-Challenges-Assessment.html>)]. The IPCR Initiative advocates for a combination of preliminary surveys to 150 local leaders (as preparation for Community Visioning Initiatives), time-intensive Community Visioning Initiatives supported by many “Community Teaching and Learning Centers” (offering workshops suggested by the preliminary surveys), and “sister community” relationships as a way of creating local community specific and regional specific “constellations of initiatives” responses to the challenges of our times.

Preliminary Surveys (as preparation for Community Visioning Initiatives)

Preliminary surveys or questionnaires (as preparation for Community Visioning Initiatives) are meant to help people rediscover truths about their goals, how what they are doing in everyday circumstances of community life relates to achieving those goals, the challenges perceived as the highest priority challenges by the majority of residents in a community, and what residents are doing to overcome such challenges. (“Organizations and communities of people often use questionnaires and surveys to identify problems and solutions, and to build consensus for collective action.”)

Results from well thought out preliminary surveys (circulated to at least 150 key leaders from many different fields of activity in the community) can help residents appreciate the need for a Community Visioning Initiative—and appreciate the need for many “Community Teaching and Learning Centers”.

Community Visioning Initiatives

Community Visioning Initiatives can be described as a series of community meetings designed to facilitate the process of brainstorming challenges and solutions, prioritizing the challenges and solutions, and identifying doable steps and action plans.

Many Community Visioning Initiatives require steering committees, preliminary surveys or assessments, workshops, task forces, and collaboration between many organizations, government agencies, businesses, and educational institutions—and seek to build up consensus in the community for specific goals and action plans by encouraging a high level of participation by all residents.

One of the main goals of Community Visioning Initiatives is to maximize citizen participation in identifying challenges, and in solution-oriented activity

Many cities and towns in the United States have carried out visioning initiatives or strategic planning exercises (see “Google” results for the key words “community visioning”); however, this writer does not know of any specific examples which are meant to be responses to most of the critical challenges identified in the IPCR Initiative document “A List of Ten Critical Challenges” (at the end of this post).

The IPCR Initiative advocates organizing and implementing Community Visioning Initiatives in 1000 communities (communities, or segments of rural areas, towns, or cities, with populations of 50,000 or less) around the world--which are time-intensive, lasting even as much as 1½ years (18 months), so as to give as much importance to developing a close-knit community as it does to

- a) accumulating and integrating the knowledge and skill sets necessary for the highest percentage of people to act wisely in response to challenges identified as priority challenges
- b) helping people to deliberately channel their time, energy, and money into the creation of “ways of earning a living” which are directly related to resolving high priority challenges
- c) assisting with outreach, partnership formation, and development of service capacity for a significant number of already existing (or forming) organizations, businesses, institutions, and government agencies
- d) helping to build a high level of consensus for specific action plans, which will help inspire additional support from people, businesses, organizations, institutions, and government agencies with significant resources

In 1984, the non-profit organization Chattanooga Venture [Chattanooga, Tennessee (USA)] organized a Community Visioning Initiative that attracted more than 1,700 participants, and produced 40 community goals—which resulted in the implementation of 223 projects and programs, the creation of 1,300 permanent jobs, and a total financial investment of 793 million dollars.

“Community Teaching and Learning Centers”

The IPCR Initiative’s specifically advocates for Community Visioning Initiatives which are supported by many “Community Teaching and Learning Centers”. The “Community Teaching and Learning Centers” concept (created by the “Teachers Without Borders” organization) has been expanded by The IPCR Initiative so that such local community points of entry function as information clearinghouses, meeting locations, education centers for ongoing workshops (on a broad range of topics related to the Community Visioning Process, and building the local knowledge base), practice sites for developing “teacher-leaders”, a location for an ongoing “informal” “Community Journal”, a location for listing employment opportunities—and as a means of responding quickly (by changing the emphasis of workshop content) to new urgencies as they arise.

The “Community Teaching and Learning Centers” would also function as the local community centers people would go to brainstorm on challenges and solutions, and “vote” on the prioritizing of challenges, solutions, and action plans. [The IPCR Initiative document [“A 15 Step Outline for a Community Visioning Initiative”](#) provides much detail which illustrates the importance of having at least 30 “Community Teaching and Learning Centers” per communities with 50,000 potential participants.]

Consider the following observations:

People not sufficiently informed about critical issues are everywhere--and investing their time, energy, and money—voting—all the time.

The challenges of our times are not something the experts will resolve while the rest of us are doing something else.

All of us have important responsibilities associated with resolving a significant number of very serious challenges ahead.

Everyone is involved when it comes to determining the markets which supply the “ways of earning a living”.

The ways we “invest” our time, energy, and money have a direct impact on the “ways of earning a living” that are available.

The investments of time, energy, and money that each of us make in our everyday circumstances becomes the larger economy.

Time-intensive Community Visioning Initiatives, supported by many “Community Teaching and Learning Centers”, are one way people at the local community level can learn how to make wise choices about how they use their time, energy, and money... so that all the “little events” in the circumstance of everyday community life have a positive and cumulative effect on the challenges they have identified as priority challenges.

Sister Community Relationships

The challenges of our times are such that it is now critical for us to access the storehouses of wisdom and compassion which have accumulated over the many centuries of human experience, and which have been confirmed again and again as essential to individual well-being and social harmony by the saints, sages, spiritual leaders, and sincere practitioners of all religious, spiritual, and moral traditions.

One way the above statement can be substantiated is by considering how many of our current leaders are referring to a need for “economic growth”, as the most effective remedy for the debt crises which are occurring in many countries—and then considering the following passages from

[From “Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication” United Nations Environment Programme 2011; from the Introduction, p. 14-15 (full report accessible at <http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/Default.aspx>) (press release dated November 16, 2011, accessible at http://www.unep.org/greeneconomy/Portals/88/documents/ger/GER_press_16nov11_en.pdf)

“Most economic development and growth strategies encouraged rapid accumulation of physical, financial and human capital, but at the expense of excessive depletion and degradation of natural capital, which includes the endowment of natural resources and ecosystems. By depleting the world’s stock of natural wealth – often irreversibly – this pattern of development and growth has had

detrimental impacts on the wellbeing of current generations and presents tremendous risks and challenges for the future. The recent multiple crises are symptomatic of this pattern.

“Existing policies and market incentives have contributed to this problem of capital misallocation because they allow businesses to run up significant, largely unaccounted for, and unchecked social and environmental externalities.”

Unfortunately, the kind of “economic growth” which is most often being referred to by most political leaders, economists, and mass media news analysis includes a vast array of “enterprises” which require the continued exploitation of flaws and weaknesses in human nature, fragile ecosystems, and already significantly depleted natural resources—and which are much of the reason why cultures of violence, greed, and corruption have become so common that most people believe they are inevitable.

Readers who are in doubt about the existence of such “significant, largely unaccounted for, and unchecked social and environmental externalities” are also encouraged to consider Sections IV and V (“Cultures of Violence, Greed, Corruption, and Overindulgence” and “Other Challenges Which Are Part of This Writer’s Ten Point List and Which Need to be Resolved as Part of a Sustainable Solution to the Current Debt Crises”) of this “Summary Report”.

This writer, for one, is convinced that we are at a critical point in the evolution of life on planet Earth, and that there is now a profound and critical need for an exponential increase in compassion for our fellow human beings.

Unfortunately (that word again), much of the real treasured wisdom of religious, spiritual, and moral traditions (the cultural storehouses of the time-tested means for cultivating wisdom and compassion) now seems to be hidden—and thus in need of being re-discovered. These “hidden” resources include teachings which inspire and encourage people to

- a) place a high priority on the development of truth, virtue, love, and peace—and live disciplined lives for the purpose of adhering to truth, cultivating virtue and love, and maintaining the pathways to enduring peace
- b) sacrifice personal desires for the greater good of the whole
- c) find contentment and quality of life while consuming less material goods and ecological services
- d) prefer peacebuilding which supports and actualizes mutually beneficial understandings, forgiveness, and reconciliation—and *which abstains from violent conflict resolution*—as a way of bringing cycles of violence to an end
- e) use resources carefully, so that there is surplus available for emergency assistance
- f) support community life and cultural traditions which “... bring to the fore what is often hidden: how many good people there are, how many ways there are to do good, and how much happiness comes to those who extend help, as well as to those who receive it.

Many people seem to have the belief that human morality is a constant, and therefore is not a factor they need to consider as part of their “tool box” of resources for overcoming critical challenges. This writer, however, believes that human morality is not a constant—it is not something which is the same throughout the centuries of human existence; and thus it is something which can become degraded or raised up, depending on the leanings of human aspirations. Therefore, he believes we cannot afford to exclude from our “tool boxes” the time-tested sources which have helped people learn compassion over

many centuries. What we need to do instead is to learn how to cultivate the time-tested sources so that the sources yield the treasured wisdom.

It is in the context of the leanings of human aspirations regarding human morality—and in the context of emphasizing the need for an exponential increase in compassion for our fellow human beings—that The IPCR Initiative encourages communities (with the resources to do so) to enter into “sister community” relationships with communities in other countries where there has been well documented calls for assistance with basic human needs. Such community-to-community relationships can provide critical assistance with capacity building (especially if communities make best use of already established humanitarian aid organizations specializing in capacity building). “Sister community” relationships can also create service work capable of uniting diverse communities of people, and a variety of opportunities for person-to-person peacebuilding (as can be seen by the work of organizations such as “Sister Cities International”; webpage at <http://www.sister-cities.org/>.)

While it may be difficult for political leaders to accelerate the use of “sister community” relationships—when the concept is specifically linked to time-tested sources which have helped people learn compassion over many centuries—Community Visioning Initiatives which focus on the general themes of maximizing citizen participation in identifying challenges, and in solution-oriented activity will almost certainly accelerate the use of this “sister community” concept.

Job Fairs

The job fairs which come at the end of the Community Visioning Initiative process provide opportunities for all key stakeholders in the community (businesses, organizations, institutions, government, etc) to *demonstrate their upgraded awareness (relating to the challenges, solutions, and action plans perceived as high priority by community residents)—and their interest in the welfare of the community—by offering and facilitating new employment opportunities...* and thus assisting with a just transition from patterns of investment which in only limited ways represent solution-oriented activity to patterns of investment which in many ways represent solution-oriented activity.

Local Newspapers

The Community Visioning Initiative “constellation of initiatives” approach to maximizing citizen participation in solution-oriented activity also provides many opportunities for local newspapers to contribute very valuable community services. (For example: making preliminary survey results accessible; highlighting inspirational role models and service-oriented initiatives associated with the Community Visioning process; describing workshop activity in the “Community Teaching and Learning Centers”; providing accountability reporting relating to the planning, implementation, evaluation, and sharing the lessons stages of the Community Visioning Initiative; etc).

When local community specific narratives are “grown organically”

One special value of the IPCR “constellations of initiatives” approach is that it encourages an “organic” approach to problem solving, peacebuilding and community revitalization: i.e. the process begins from wherever the community is, and proceeds to whatever emerges from Community Visioning Initiatives as

the solution pathways preferred by the residents of each particular community. There is no need for consensus on a blueprint for a model community to carry out a Community Visioning Initiative. The idea of the Community Visioning Initiative is to maximize citizen participation in identifying challenges, and in solution-oriented activity—and to (thus) grow the project “organically”.

A continued emphasis on the basic themes of a Community Visioning Initiative—maximizing citizen participation in identifying challenges, and in solution-oriented activity—will, even in a matter of a few years, bring communities back into alignment with the realities of the times... and it will do so at a pace which is workable for those particular local residents, it will add valuable knowledge and skill sets relating to problem solving as a team, and it will give local residents many more opportunities to encourage and support each other in the everyday circumstances of community life.

In addition, when local community specific narratives are “grown organically” by the processes described above, such narratives are much more likely to be aware of, and responsive to, local specific needs and challenges, much more likely to maximize citizen participation and create solution-oriented momentum, and much more likely to inspire commitments of time, energy, and financial support.

There can be much very useful public discourse on how to create effective local Community Visioning Initiatives, of the kind which can succeed in turning polarizing circumstances into collaborative efforts (and thus make best use of the knowledge and skills each one of us has), and which can create, develop, and accelerate a full array of solution-oriented activity.

Community Visioning Initiatives or General Elections?

The IPCR Initiative emphasizes a time-intensive approach to Community Visioning, which may take up to 1^{1/2} years (18 months) to complete. The IPCR Initiative advocates for the kind of Community Visioning Initiative outlined in detail in the IPCR Initiative document [“A 15 Step Outline for a Community Visioning Initiative”](#). A very rough estimated cost, for 18 month Community Visioning Initiative which can be carried out by local communities—or segments of rural areas, towns, or cities—with populations of 50,000 or less, is \$3 million (estimate in U.S. dollars).

For the most part, this post presents the comparison between Community Visioning Initiatives and General Elections as a comparison between what is provided here about the citizen participation potential and problem solving potential of Community Visioning Initiatives, and what the readers’ impressions are (from his/her own experience) about the citizen participation potential and problem solving potential of General Elections. However, there is one important observation this writer will make here about the current state of many political campaigns at this critical time.

At a time when there are critical challenges which require problem solving on a scale most of us have never known before (see The IPCR Initiative’s “List of Critical Challenges” at the end of this post), we are in great need of collaborative efforts which make best use of the knowledge and skills each one of us has. And yet many current forms of representative democracy include media campaigns which repeatedly paint negative portrayals of opposing candidates, and which encourage the demonization or dehumanization of fellow citizens and fellow human beings. No one who has ever tried to mediate a peaceful resolution to a conflict between people in their own personal life would ever consider carrying out anything even remotely resembling such negative campaigns as a way to assist people they care about through difficult times, and as a means of re-establishing peaceful relations. And yet here we are,

at a time of many critical challenges which require best use of the knowledge and skills we have—and it is clear that many of us continue to believe that participation in the current forms of representative democracy (which include these negative media campaigns) is one of the key indicators that a nation is on the road to becoming one of the most advanced societies we can conceive of. What exactly is the nature and character of the most advanced societies we can conceive of? Is arriving at that kind of society really one of our goals? If so, how much of what we are doing in everyday circumstances of community life actually relates to achieving that goal?

As mentioned earlier, preliminary surveys or questionnaires (as preparation for Community Visioning Initiatives) are meant to help people rediscover truths about their goals, how what they are doing in everyday circumstances of community life relates to achieving those goals, the challenges perceived as the highest priority challenges by the majority of residents in a community, and what residents are doing to overcome such challenges.

Here is one question such preliminary surveys could ask:

If 1000 Community Visioning Initiatives of the kind advocated in this post (i.e. time-intensive Community Visioning Initiatives supplemented by the above mentioned key processes) had already been carried out, and each visioning initiative had the general focus of maximizing citizen participation in identifying challenges, and in solution-oriented activity—and the citizen participation/problem solving results could be compared to 1000 political campaigns of equal expenditures, which resulted in the election of citizen representatives—

--which processes (1000 Community Visioning Initiatives or 1000 General Elections) do you believe would have the best cost/benefit ratio (i.e. given equal expenditures in both citizen participation/problem solving processes, which one would result in the most solution-oriented activity)?

Concluding Comment

There can be much very useful public discourse on how to create effective local Community Visioning Initiatives, of the kind which can succeed in turning polarizing circumstances into collaborative efforts (and thus make best use of the knowledge and skills each one of us has), and which can create, develop, and accelerate a full array of solution-oriented activity.

A List of Ten Critical Challenges

(supported by evidence gathered in “IPCR Critical Challenges Assessment 2011-2012” project)
(webpage for “Assessment” project at <http://www.ipcri.net/Critical-Challenges-Assessment.html>)
(supporting evidence summarized in this document)

- 1. Global warming and reducing carbon emissions**
- 2. “Cultures” of violence, greed, corruption, and overindulgence**—which have become so common that many of us accept such as inevitable; which are a significant part of the current crises of confidence in financial markets; *and which are in many ways slowing the restructuring of investment priorities needed to respond to an increasing number of other critical challenges*
- 3. The end of the era of “cheap energy” (particularly in reference to “peak oil”)**
- 4. The increasing world population and its implications relating to widespread resource depletion** (with special focus on the increasing number of people who are consuming material goods and ecological resources *indiscriminately*)
- 5. Current trends indicate that we are creating more and more “urban agglomerations”** (cities with a population of more than 1 million people—more than 400), which require more and more complex and energy intensive infrastructures, where it is more and more difficult to trace the consequences of our individuals investments of time, energy, and money—and which are the least appropriate models when it comes to implementing resolutions to many of the other challenges in this ten point assessment
- 6. The U.S. and many other countries will enter the next 15 to 20 years burdened by substantial public debt**, possibly leading to higher interest rates, higher taxes, and tighter credit
- 7. A marginalization of the treasured wisdom associated with religious, spiritual, and moral traditions**
- 8. Global inequities and the tragic cycles of malnutrition, disease, and death**
- 9. Community building associated with responding to the above eight challenges may or may not be accompanied by an exponential increase in compassion for our fellow human beings.** In such circumstances, shortages of goodwill in times of unprecedented transition could tilt already precarious systems into further disarray, and thus erode established systems in even the most stable communities and regions
- 10. Sorting out what are real challenges and what are sound and practical solutions is becoming more and more difficult**, as there are now, in most communities of the world, *a multitude of ideas of all kinds coming to the fore in personal, family, community, and cultural life—all at the same time*